

LEASE AGREEMENT

by and among

CA DETROIT 4001 29S LLC, Landlord

and

SOUTHWEST DETROIT LIGHTHOUSE CHARTER ACADEMY, Tenant

Dated as of: February 15, 2013

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LEASE AGREEMENT

LEASE (this “**Lease**”) dated February 15, 2013 (the “**Effective Date**”), by and between CA DETROIT 4001 29S LLC, a Delaware limited liability company (“**Landlord**”) and SOUTHWEST DETROIT LIGHTHOUSE CHARTER ACADEMY, a Michigan nonprofit corporation (“**Tenant**”).

ARTICLE I Leased Premises

1.1 Ownership of Premises. Landlord is the fee owner of the parcel of land described in Exhibit A annexed hereto and made a part hereof.

1.2 Description of Premises. The “**Premises**” shall consist of the real property located at 4001 29th Street in the City of Detroit, Wayne County, Michigan (the “**Land**”), the building located on the Land (the “**Building**”), and all fixtures and improvements located therein and thereon. In consideration of Tenant’s payment of the Base Rent and Additional Rent (each as defined below) and Tenant’s performance of the covenants hereinafter set forth, Landlord hereby leases to Tenant and Tenant hereby takes from Landlord said Premises.

1.3 Defined Terms.

“**AAA**” has the meaning set forth in Section 6.13.

“**Additional Rent**” has the meaning set forth in Section 3.2.

“**Alterations**” has the meaning set forth in Section 9.1.

“**Acquisition Deadline**” has the meaning set forth in Section 2.3.1.

“**Authorizer**” shall mean, on the Commencement Date, The Grand Valley State University Board of Trustees, and thereafter shall mean the charter school sponsor under Part 6a of the Revised School Code comprising Michigan Compiled Laws §§ 380.501-.507 that is, at any given time during the Term, party to the Charter School Contract with Tenant.

“**As-Built Documents**” has the meaning set forth in Section 6.7.

“**Base Rent**” has the meaning set forth in Section 3.1.

“**Budget**” means the budget developed and agreed by the Parties, in writing, as provided in Section 6.5.

“**Building**” has the meaning set forth in Section 1.2.

“**Building Systems**” has the meaning set forth in Section 11.1.1.

“**Business Days**” shall mean every calendar day Monday through Friday, inclusive, but excluding legal holidays of the United States of America and of the state where the Premises are located.

“**Capital Repair Costs**” has the meaning set forth in Section 11.2.2.

“Charter School Contract” has the meaning set forth in Section 4.1.1.

“Commencement Date” has the meaning set forth in Section 2.1.

“Commencement Date Certificate” has the meaning set forth in Section 2.2.

“Confidential Information” has the meaning set forth in Section 29.3.

“Control” means the full power and legal authority to direct and control the business, operations, decisions and actions of the subject person or entity.

“Dangerous Condition” has the meaning set forth in Section 4.2.1.

“Department” has the meaning set forth in Section 7.5.1.

“Development Costs” means all hard and soft costs (including the reasonable cost of Landlord's travel in connection with Landlord's efforts under ARTICLE VI) expended toward Landlord's Work, but not unspent contingency funds.

“Due Care Plan” means the “Baseline Environmental Assessment” and the “Section 7a Compliance Analysis” prepared by G2 Consulting Group, LLC and dated February 8, 2013 (including any subsequent revisions thereto) setting forth the obligations arising with respect to the Premises pursuant to Section 20107a of Part 201, Natural Resources and Environmental Protection Act, 1994 PA 451 (as amended, and including all related administrative rules, “NREPA”).

“Effective Date” means the date first set forth in the preamble to this Lease.

“Event of Default” has the meaning set forth in Section 21.1.

“Expiration Date” has the meaning set forth in Section 2.1.

“Governmental Approvals” has the meaning set forth in Section 2.3.2.

“Guarantor” has the meaning set forth in Section 3.5.

“Guaranty” has the meaning set forth in Section 3.5.

“Hazardous Materials” means any material or substance that is regulated from time to time by any local, state or federal law relating to environmental conditions and industrial hygiene, including, without limitation, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Hazardous Materials Transportation Act, the Federal Water Pollution Control Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Safe Drinking Water Act, and all similar federal, state and local environmental statutes, ordinances and the regulations, orders, or decrees now or hereafter promulgated thereunder. **“Hazardous Materials”** includes any and all material or substances that are defined as “hazardous waste,” “extremely hazardous waste,” or a “hazardous material” pursuant to Legal Requirements.

“Insurance Requirements” means the insurance coverages required to be maintained by Tenant pursuant to Section 8.2 and Landlord pursuant to Section 8.3, and all requirements of the insurers issuing the policies containing such coverages.

“Interest Rate” has the meaning set forth in Section 3.3.2.

“Land” has the meaning set forth in Section 1.2.

“Landlord” means CA Detroit 4001 29S LLC, a Delaware limited liability company.

“Landlord Affiliate” means any person or entity which Controls, is Controlled by, or is under common Control with Landlord.

“Landlord’s Insurance” has the meaning set forth in Section 8.3.1.

“Landlord Party” means Landlord and any Landlord Affiliate, and their respective officers, directors, shareholders, constituent partners, members, managers, principals, employees, staff, consultants, contractors, agents and professional advisors.

“Landlord’s Property” has the meaning set forth in Section 10.1.

“Landlord’s Work” has the meaning set forth in Section 6.1.

“Lease Year” means (i) the period beginning on the July 1 occurring nearest (whether before or after) the Effective Date and ending on the June 30 first occurring after such July 1, and (ii) every period of July 1-June 30 thereafter occurring during the Term.

“Lease” means this Lease Agreement.

“Legal Requirements” means all present and future statutes, laws, codes, regulations, ordinances, orders, rules, bylaws, administrative guidelines, requirements, directives and actions of any federal, state or local governmental or quasi-governmental authority, and other legal requirements of whatever kind or nature that are applicable to the Premises.

“Lighthouse” means Lighthouse Academies, Inc., a Delaware nonprofit corporation.

“Management Agreement” means the Development, Academic and Business Services Agreement entered into (or to be entered into) by and between Tenant and Lighthouse, a copy of which Management Agreement is attached to this Lease as Attachment 1 to Exhibit C-1.

“Material Alterations” has the meaning set forth in Section 9.1.2.

“Mortgage” has the meaning set forth in Section 14.1.

“Non-Profit Company” has the meaning set forth in Section 2.5.

“OFAC” has the meaning set forth in Section 29.7.

“Option Agreement” has the meaning set forth in Section 2.4.

“Party” shall mean either the Landlord Party or the Tenant Party.

“Parties” shall mean both the Landlord Party and the Tenant Party.

“Permitted Alterations” has the meaning set forth in Section 9.1.1.

“Permitted Use” has the meaning set forth in Section 4.1.1.

“Permitting Deadline” has the meaning set forth in Section 2.3.2.

“Person” shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

“Plans and Specifications” has the meaning set forth in Section 6.1.

“Premises” has the meaning set forth in Section 1.2.

“Premiums” has the meaning set forth in Section 8.3.2.

“Prohibited Person” has the meaning set forth in Section 29.7.

“Punchlist Items” means (i) minor details of construction, mechanical adjustment or any other similar matter, the non-completion of which will not interfere with Tenant’s use and occupancy of the Premises for the Permitted Uses and (ii) items which, in accordance with good construction practice, must be performed after Substantial Completion of Tenant’s Improvements.

“Real Estate Taxes” has the meaning set forth in Section 5.2.

“Rent” has the meaning set forth in Section 3.2.

“Rent Commencement Date” has the meaning set forth in Section 2.1.

“Request” has the meaning set forth in Section 16.1.1.

“Specially Designated and National Blocked Person” has the meaning set forth in Section 29.7.

“Substantial Completion” and **“Substantially Complete”** have the meanings set forth in Section 6.4.

“Substantially Damaged” has the meaning set forth in Section 18.1.1.

“Superior Lease” has the meaning set forth in Section 14.1.

“Superior Lessor” has the meaning set forth in Section 14.1.

“Superior Mortgage” has the meaning set forth in Section 14.1.

“Superior Mortgagee” has the meaning set forth in Section 14.1.

“Successor Landlord” has the meaning set forth in Section 14.2.

“Target Commencement Date” has the meaning set forth in Section 6.3.

“Tenant” means Southwest Detroit Lighthouse Charter Academy, a Michigan nonprofit corporation.

“Tenant Affiliate” means any person or entity which Controls, is Controlled by, or is under common Control with Tenant.

“Tenant Delay” has the meaning set forth in Section 6.6.

“Tenant’s Insurance Requirements” has the meaning set forth in Section 8.2.1.

“Tenant Party” means Tenant and any Tenant Affiliate, and their respective officers, directors, shareholders, constituent partners, members or principals, employees, staff, students, parents, consultants, contractors, agents and professional advisors.

“Tenant’s Removable Property” has the meaning set forth in Section 6.12.

“Tenant’s Tax Payment” has the meaning set forth in Section 5.1.

“Term” has the meaning set forth in Section 2.1.

“Transfer Expenses” has the meaning set forth in Section 16.1.6.

“Unavoidable Delay” has the meaning set forth in Section 29.5.

ARTICLE II Term

2.1 Term. The term of this Lease (the **“Term”**) shall commence on the date Landlord’s Work is Substantially Complete in accordance with Section 6.4 (the **“Commencement Date”**), and shall expire at 11:59 p.m. on June 30, 2042. The **“Rent Commencement Date”** of this Lease shall be the later date to occur of (i) the Commencement Date, and (ii) September 1, 2013. The **“Expiration Date”** shall mean the date of expiration of the Term or on such earlier date upon which the Term shall expire or be canceled or terminated pursuant to any of the conditions or covenants of this Lease or pursuant to any Legal Requirements.

2.2 Commencement Date Certificate. Tenant shall, upon the request of Landlord, execute, acknowledge and deliver to Landlord an instrument in the form of the **“Commencement Date Certificate”** attached hereto as Exhibit B and otherwise in form reasonably satisfactory to Landlord confirming the Commencement Date, the Rent Commencement Date, the Expiration Date, the Base Rent and such other items as Landlord may reasonably request; *provided*, that Tenant’s failure to execute, acknowledge and deliver such an instrument shall not affect the validity of the Commencement Date, the Rent Commencement Date, the Expiration Date, the Base Rent or such other items as set forth in such Commencement Date Certificate.

2.3 Right to Cancel. This Lease is expressly conditioned upon the following:

2.3.1 If, for any reason whatsoever, Landlord fails to acquire fee title to the Premises on or before February 28, 2013 (the “**Acquisition Deadline**”), then unless Landlord and Tenant mutually agree in writing to extend such date, Landlord may elect to terminate this Lease by sending written notice of such termination of this Lease within ten (10) Business Days following such Acquisition Deadline, and in such event, this Lease shall terminate and the Parties shall have no further obligations under this Lease, except for those obligations which expressly survive the termination of this Lease.

2.3.2 If, for any reason whatsoever, Landlord has not obtained approvals from all required governmental authorities on or before February 21, 2013 (the “**Permitting Deadline**”), on terms and conditions acceptable to Landlord in its sole discretion and sufficient to allow the Permitted Use at the Premises (the “**Governmental Approvals**”), Landlord may elect to terminate this Lease by sending written notice of such termination within ten (10) Business Days following such Permitting Deadline, and in such event, this Lease shall terminate and the Parties shall have no further obligations under this Lease, except for those obligations which expressly survive the termination of this Lease. Landlord shall, however, use its commercially reasonable efforts to obtain the Governmental Approvals on or before the Permitting Deadline. Notwithstanding the foregoing, Tenant acknowledges that it is solely responsible for determining whether applicable building codes, ordinances, regulations and other Legal Requirements, as well as all recorded building and use restrictions of every kind, are consistent with Tenant’s use of the Premises for the Permitted Use. Accordingly, Tenant shall have no right to terminate or modify this Lease if the Premises are not suitable in any respect for the Permitted Use.

2.4 Option to Purchase. On or before the Rent Commencement Date, Landlord shall execute and deliver to Tenant and Tenant shall execute and deliver to Landlord an Option to Purchase Real Estate in the form attached hereto as Exhibit F (the “**Option Agreement**”) granting Tenant (and any Tenant Affiliate to which Tenant may assign such option, according to the terms of the Option Agreement) an option to purchase the Premises in accordance with the terms and conditions of such Option Agreement. The Purchase Price set forth in the Option Agreement shall (subject to adjustments under Section 11.2 of this Lease) equal the estimated fair market value of the Premises, which the Landlord and Tenant have in good faith agreed to be (i) \$8,893,972 if the Closing Date (as defined in the Option Agreement) occurs in any of the 37th through 48th full calendar months of the Term, (ii) \$9,318,931 if the Closing Date occurs in any of the 49th through 60th full calendar months of the Term, and (iii) \$9,470,856 if the Closing Date occurs in any of the 61st through 72nd full calendar months in the Term. Landlord and Tenant acknowledge that one factor in determining the fair market value of the Premises is the Development Costs, and that the fair market values set forth above have been determined, in part, using the Budget.

On or before the later to occur of (i) the sixtieth (60th) Business Day after the Rent Commencement Date or (ii) the twentieth (20th) Business Day after Landlord shall have closed its permanent financing for the Premises—though in no instance later than the three hundred sixtieth (360th) Business Day after the Rent Commencement Date—Landlord shall notify Tenant of the actual Development Costs, and if the actual Development Costs differ from the Budget, the agreed fair market values of the Premises as set forth above shall be increased or decreased to amounts that reflect the estimated fair market value of the Premises for each applicable period set forth above, taking into account such actual Development Costs; provided, however, that the amount by which the new adjusted fair market value in each case is greater than or less than the estimated fair market value originally set forth above shall not exceed the aggregate amount by

which the actual Development Costs are greater than or less than the Budget. If Tenant shall disagree with or dispute the actual Development Costs indicated in Landlord's notice, the Parties shall use their reasonable best efforts to settle the disagreement or dispute. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both Parties. If, however, the Parties do not reach such solution within a period of ten (10) Business Days after Landlord delivers its notice of actual Development Costs then, (i) upon written notice to arbitrate by either Party delivered to the other within five (5) Business Days after the end of the ten (10) Business-Day negotiating period, all such disagreements and disputes shall be finally settled according to the dispute resolution provisions set forth in Section 6.14 of this Lease, or (ii) if neither Party timely delivers the requisite notice to arbitrate within such five (5) Business Days, then Landlord's notice to Tenant of actual Development Costs shall be conclusive.

2.5 Non-Profit Status. Notwithstanding anything herein to the contrary, if Tenant (or any successor or assignee of Tenant) shall at any time during the Term cease to be an organization qualifying for an exemption from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (a "**Non-Profit Company**"), or if this Lease is assigned, transferred or subleased, by operation of law or otherwise, to an entity which is not a Non-Profit Company, Landlord shall have the right to terminate this Lease without further liability or obligation to Tenant by providing Tenant with twenty (20) Business Days prior written notice, provided, however, that in the event of Tenant's failure to qualify as a Non-Profit Company (but not in the event of an assignment or sublease to a Non-Profit Company), if before the effective date of termination of this Lease, Tenant cures such failure and again qualifies as a Non-Profit Company, Landlord's termination notice shall be revoked and null and void and this Lease shall continue in full force and effect subject to the terms and conditions of this Lease, including Landlord's rights under this Section 2.5. Tenant (or any successor or assignee of Tenant) shall notify Landlord in writing immediately upon losing its status as a Non-Profit Company, or upon learning or determining that such status may be in jeopardy.

ARTICLE III Base Rent, Security Deposit and Guaranty

3.1 Base Rent. The fixed annual rent (the "**Base Rent**") shall be paid commencing on the Rent Commencement Date and thereafter in monthly installments in advance on the first Business Day of each and every calendar month during the Term as set forth on Exhibit H attached to and made a part of this Lease, subject to adjustment pursuant to Section 3.6, if applicable.

3.2 Additional Rent.

3.2.1 The Base Rent shall be net to Landlord, except as expressly provided otherwise in this Lease, so that all impositions, insurance premiums, utility charges, maintenance, repair and replacement expenses, payments or charges under covenants, conditions and restrictions now or hereafter of record, all expenses relating to compliance with Legal Requirements, capital replacements, and all other costs, fees, charges, expenses, reimbursements and obligations of every kind and nature whatsoever relating to the Premises (excepting only Landlord's obligations expressly set forth in this Lease) which may arise or become due to Landlord or third parties during the Term or by reason of events occurring during the Term of this Lease shall be paid or discharged by Tenant, at Tenant's sole cost and expense (all charges

payable by Tenant other than Base Rent, however denoted, are hereinafter collectively referred to as “**Additional Rent**”). Base Rent and Additional Rent are sometimes hereinafter collectively referred to as “**Rent**” or “**Rents**.”

3.2.2 Together with, and in addition to, any payment of Rent or other sum(s) payable to or for the benefit of Landlord under this Lease, Tenant shall pay to Landlord, further as Additional Rent, a sum equal to the aggregate of any excise, sales, occupancy, franchise, privilege, rental, or transaction privilege tax on, or of any similar tax now or in the future levied, assessed, or imposed by any governmental authority upon, Landlord or the Premises as a result (and to the extent) of payments comprising Rent under this Lease, or as a result of Tenant’s use or occupancy of the Premises.

3.3 Payment of Rent.

3.3.1 Tenant covenants and agrees to pay Base Rent and Additional Rent. Tenant shall pay the Base Rent and Additional Rent promptly when due without notice or demand therefor and without any abatement, deduction or set off for any reason whatsoever unless expressly provided in this Lease.

3.3.2 In addition to any other remedies Landlord may have under this Lease, if any Base Rent or Additional Rent payable hereunder to Landlord is not paid within five (5) Business Days after the due date therefor, Tenant shall pay to Landlord an administrative fee equal to 5% of the overdue payment and, in addition, such overdue payment shall bear interest at the rate of ten percent (10%) per annum (the “**Interest Rate**”) from the due date thereof until paid, and the amount of such interest shall be Additional Rent.

3.3.3 If the Rent Commencement Date or the Expiration Date occurs on a day other than the first day of a calendar month, the Base Rent and all Additional Rent for the partial calendar month in which the Rent Commencement Date or the Expiration Date occurs shall be prorated and the Base Rent for the partial calendar month in which the Rent Commencement Date occurs shall be paid on the Rent Commencement Date.

3.3.4 No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the Base Rent or Additional Rent shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord’s right to recover the balance or pursue any other remedy in this Lease or at law provided.

3.3.5 Tenant’s failure to pay Additional Rent shall be considered a failure to pay Base Rent hereunder and Landlord shall be entitled to all rights and remedies provided herein and by law in connection therewith.

3.4 Subordination of Management Agreements.

3.4.1 Tenant acknowledges that the Lease (including all renewals, extensions, modifications, or amendments of or to the Lease) shall at all times be superior to all rights of Lighthouse to receive any fee or services payment of any kind under the Management Agreement (including, without limitation, the “**Service Fee**” defined thereunder). Accordingly, the

Management Agreement shall be, and is, subject, subordinate, and inferior to the Lease, and to all renewals, extensions, modifications, or amendments of the Lease; the terms of the Lease (and of the subordination agreement required under Section 3.4.2, below) shall govern the rights of Landlord notwithstanding any contrary provision of the Management Agreement; and no fee or services payment of any kind due or owing under the Management Agreement may be paid by Tenant or Subtenant to Lighthouse until any and all amounts then due or owing under the Lease shall have been paid to Landlord. Notwithstanding the foregoing, Tenant may reimburse Lighthouse for Lighthouse's out-of-pocket expenses, advancements, fees, or loans incurred under Sections 2.25, 7.4, 7.7, and 7.8 of the Management Agreement notwithstanding that certain amounts may then be due or owing to Landlord under the Lease.

3.4.2 On or before the Effective Date, Tenant shall cause Lighthouse to deliver to Landlord a Subordination of Management Agreement, duly executed by Lighthouse and in substantially the form of the agreement set forth on Exhibit C-1 attached to and made a part of this Lease, by which Lighthouse shall subordinate all of its right, title, and interest in and to the Management Agreement to the rights of Landlord under the Lease, including (without limitation) to the rights of Landlord to receive payment of Rent and of all other sums due or owing under the Lease.

3.5 Lease Guaranty. Lighthouse (the "**Guarantor**") shall provide a lease guaranty ("**Guaranty**") in accordance with the terms and conditions of the Guaranty annexed hereto as Exhibit C-2.

3.6 Adjustment of Base Rent Upon Substantial Completion of Landlord's Work. Landlord and Tenant acknowledge that one factor in determining the fair rental value for the Premises under this Lease is the total Development Costs, and that the Base Rent set forth above has been determined, in part, using the Budget. Accordingly, on or before the later to occur of (i) the sixtieth (60th) Business Day after the Rent Commencement Date or (ii) the twentieth (20th) Business Day after Landlord shall have closed its permanent financing for the Premises—though in no instance later than the three hundred sixtieth (360th) Business Day after the Rent Commencement Date—Landlord shall notify Tenant of the actual Development Costs, and if the actual Development Costs differ from the Budget, Landlord shall provide Tenant with an amendment to this Lease setting forth a revised schedule of Base Rent, which shall be determined by increasing or decreasing the Base Rent set forth in Section 3.1 above during the Term by such amounts as may be reasonably required, as determined by Landlord in good faith, in order to ensure that Landlord receives the same rate of return on its capital investment in the Premises as it would have received had the actual Development Costs been equal to the Budget. Upon receipt of Landlord's good faith estimate of revised Base Rent by Tenant, Tenant shall have ten (10) Business Days to (i) make its own determination of final Development Costs and increased or decreased Base Rent based upon actual Development Costs, and (ii) deliver to Landlord written notice of Tenant's own determination of final Development Costs and adjustment to Base Rent. If Tenant's calculation of adjusted Base Rent shall deviate from Landlord's calculation by a factor of less than ten percent (10%), then Landlord's determination of the final Development Costs and Base Rent shall be binding upon the Parties. If Tenant's calculation of increased or decreased Base Rent shall deviate from Landlord's calculation by a factor of ten percent (10%) or more, however, then the Parties shall use their reasonable best efforts to settle the deviation. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both Parties. If, however, the Parties do not reach such solution within a period of ten (10) Business Days after Tenant

delivers to Landlord written notice of Tenant's own determination of final Development Costs and adjusted Base Rent, then, (i) upon written notice to arbitrate by either Party delivered to the other within five (5) Business Days after the end of the ten (10) Business-Day negotiating period, all such disagreements and disputes shall be finally settled according to the dispute resolution provisions set forth in Section 6.14 of this Lease, or (ii) if neither Party timely delivers the requisite notice to arbitrate within such five (5) Business Days, then Landlord's notice to Tenant of actual Development Costs shall be conclusive. Once settled, the Parties shall execute an amendment to this Lease setting forth a revised schedule of Base Rent.

ARTICLE IV Use and Conduct of Business in Premises

4.1 Use.

4.1.1 Tenant shall use and occupy the Premises for the operation of the "Southwest Detroit Lighthouse Charter Academy" a Michigan public school academy authorized pursuant to the Charter School Contract (as defined below), and for associated supporting activities (including but not limited to specials rooms, multi-purpose rooms, administration, cafeteria, nurse's office, science laboratories, gymnasium, locker rooms, arts and crafts, ceramics, before-care, after-care, tutoring, enrichment and enhancement programs, and the like) consistent with operation of the charter school authorized pursuant to the Charter School Contract (the "**Permitted Use**"), and for no other purpose whatsoever without the prior written consent of Landlord. Tenant shall maintain in good standing and in full force and effect the Contract to Charter a Public School Academy and Related Documents issued by The Grand Valley State University Board of Trustees issued to Southwest Detroit Lighthouse Charter Academy Confirming the Status of Southwest Detroit Lighthouse Charter Academy as a Public School Academy (the "**Charter School Contract**"), issued under Michigan Compiled Laws § 380.503 and dated as of July 1, 2013, and shall take all actions necessary to renew such charter during the Term of this Lease.

4.1.2 Tenant acknowledges the following: (i) that it has reviewed all zoning ordinances, land use restrictions, and similar limitations affecting the Premises, as well as all agreements entered into under the same; (ii) that all such ordinances, restrictions, limitations and agreements constitute Legal Requirements with which Tenant shall comply according to the terms of this Lease; and (iii) that Tenant's failure or inability, at any time after the Commencement Date, to comply with such ordinances, restrictions, limitations and agreements shall not give rise to any right in Tenant to terminate this Lease. Furthermore, if, after the Commencement Date, any governmental license, certificate, approval, or permit, including without limitation, the Charter School Contract, shall be required for the proper and lawful conduct of the Permitted Use in the Premises or any part thereof pursuant to any Legal Requirement, Tenant, at its sole cost and expense, shall diligently and duly procure and thereafter maintain such licenses, certificates, approvals, permits and Charter School Contract during the Term hereof, and Tenant shall submit such licenses, certificates, approvals, permits and Charter School Contract (and all applications therefor) to Landlord for inspection promptly upon request. Landlord agrees to cooperate with Tenant, at no cost, expense or liability to Landlord, in connection with Tenant so procuring all such licenses certificates, approvals, permits and Charter School Contract. Tenant shall at all times during the Term hereof comply with the terms and conditions of each such license, certificate, approval, permit and Charter School Contract. If Tenant fails, for any or no reason

whatsoever, to obtain any or all licenses, certificates, approvals, permits or Charter School Contract necessary for the operation of Tenant's business at the Premises as required by this Lease, such failure shall not affect, reduce or diminish Tenant's obligations under this Lease. Notwithstanding the foregoing, the Parties expressly hereby agree that Tenant's acknowledgement and obligations hereunder shall not be deemed in any way to diminish Landlord's obligations under Section 6.4 of this Lease,

4.1.3 Tenant shall not use or permit the use of the Premises or any part thereof in any way which would violate any (i) the Certificate of Occupancy for the Premises or the Building, (ii) the Charter School Contract, (iii) the Governmental Approvals, or (iv) any Legal Requirements, and Tenant shall not suffer or permit the Premises or any part thereof to be used in any manner or anything to be done therein or anything to be brought into or kept therein which would in any way impair the proper and efficient heating, cleaning or other servicing of the Building or the Demised Premises. Neither shall Tenant commit or suffer to be committed any waste at the Premises.

4.2 Hazardous Materials.

4.2.1 Tenant represents, warrants and covenants that during the Term of the Lease it shall not use nor cause to be used nor store any Hazardous Materials within the Premises or dispose of any Hazardous Materials at or from the Premises which violates applicable Legal Requirements and Insurance Requirements governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials. In addition, Tenant shall notify Landlord, within twenty-four (24) hours of obtaining knowledge thereof, of any release of Hazardous Materials on the Premises. Nothing herein shall prohibit Tenant from (i) using cleaning fluid and supplies customarily used in school facilities, (ii) chemicals and other laboratory materials customarily used in science labs, (iii) medical office supplies, medical equipment, pharmaceuticals and first aid kits customarily stored and used in school nurse's offices, and (iv) arts and crafts materials customarily used in school facilities, any of which may constitute Hazardous Materials but which are customarily present in schools; *provided* that such use and storage in the Premises is in strict compliance with Legal Requirements and all such Hazardous Materials are removed from the Premises on or before the expiration or sooner termination of the Lease. Upon request by Landlord, Tenant shall submit to Landlord annual reports regarding Tenant's use, storage, and disposal of any of the Hazardous Materials, such reports to include information regarding continued Hazardous Materials inspections, personal interviews, and federal, state and local agency listings. In addition, Tenant shall execute affidavits, representations and the like from time to time at Landlord's reasonable request concerning Tenant's best knowledge and belief regarding the presence or absence of Hazardous Materials on the Premises. Tenant shall keep the Premises free from mold, mildew, asbestos, lead based paint and any and all other bacteria, fungi, substances and materials in quantities or concentrations that have been found to be harmful to the health or safety of any occupants of the Premises (any of the same being a "**Dangerous Condition**"). If Tenant becomes aware of any Dangerous Condition coming into existence after the Commencement Date of the Term, Tenant shall immediately notify Landlord of such and shall initiate and thereafter diligently prosecute to completion all actions necessary pursuant to Legal Requirements to investigate, assess, respond to, remove, abate, contain, encapsulate, sample, clean up, monitor or remediate such Dangerous Condition. All of the foregoing work shall be performed at Tenant's sole cost and expense, in a first-class, workmanlike manner and in compliance with all requirements of Legal Requirements.

Tenant shall provide Landlord advance notice of any activities to be undertaken by Tenant pursuant to this paragraph, and shall keep Landlord apprised of the progress and results of same.

4.2.2 In addition, Tenant shall, at all times during the Term, carry out all measures reasonably necessary to assure that the Premises shall remain in full and timely compliance with the Due Care Plan, and so shall undertake all acts and measures reasonably necessary to assure and maintain the same.

4.2.3 Tenant shall, in accordance with all Legal Requirements and to Landlord's reasonable satisfaction, remove any and all Hazardous Materials placed in the Premises by Tenant or by its agents, invitees, employees or its contractors, and Tenant shall be responsible for all costs including, but not limited to, those resulting from monitoring, clean-up or compliance in accordance with all Legal Requirements incurred with respect to any Hazardous Materials placed in the Premises during installation of Tenant's Removable Property and after the Commencement Date, and shall be responsible for all such costs incurred with respect to any Hazardous Materials placed in, on or under the Premises by Tenant or its agents, invitees, employees or contractors. Tenant shall indemnify and hold Landlord and each other Landlord Party harmless from and against any and all costs, claims, suits, causes of action, losses, injuries or damage, including without limitation, personal injury damage (including death) as well as damage to property as well as any and all sums paid for settlement of claims, reasonable attorney's fees, consultant and expert fees arising during the Term as a result of a breach of this ARTICLE IV or resulting from the presence or removal of Hazardous Materials from the Premises.

ARTICLE V Real Estate Taxes

5.1 Obligation to Pay Real Estate Taxes. Tenant shall pay one hundred percent (100%) of all Real Estate Taxes ("**Tenant's Tax Payment**") that shall become due and payable during the Term of the Lease as Additional Rent, paying the same directly to the applicable taxing authority at least five (5) Business Days before the date such taxes are due and payable. Landlord shall pay all Real Estate Taxes attributable to any period before the Rent Commencement Date and after the expiration or termination of the Lease. Landlord shall give notice to Tenant of all Real Estate Taxes payable by Tenant hereunder of which Landlord at any time has knowledge within ten (10) Business Days after receipt of notice thereof.

5.2 Real Estate Taxes Defined. The term "**Real Estate Taxes**" shall mean all real estate taxes and assessments, government levies, municipal taxes, county taxes and assessments (whether general or special, ordinary or extraordinary, unforeseen or foreseen) and gross receipts and rental taxes incurred in the use, occupancy, ownership, operation, leasing or possession of the Premises, which are or may be assessed, levied or imposed, less any credit or abatement applicable thereto, including all credits or discounts allowed for early payments, whether or not such early payment is actually made. Except as specifically provided under Section 3.2.2, Real Estate Taxes shall not include: (i) any municipal, state or federal net income or excess profits taxes assessed against Landlord, or any municipal, state or federal capital levy, estate, capital gain, succession, inheritance or transfer taxes of Landlord, or corporation franchise taxes imposed upon Landlord or any owner of the fee of the Premises (except that any gross receipts tax and any rental tax shall be considered Real Estate Taxes); (ii) any correction of or supplement to any tax or assessment for any period before the Commencement Date; (iii) penalties incurred as a result of Landlord's negligence, inability or unwillingness to make Real Estate Tax payments or to file any

tax or informational returns when due (unless such penalties result from Tenant's failure to make timely payment of Real Estate Taxes); or (iv) water and sewer fees and utility charges required to be paid by Tenant pursuant to any other provisions of this Lease. In the event of a special assessment for any public or private improvement, the life of which extends beyond the Term, the assessment for such improvement, and Tenant's Tax Payment shall only include the amortized portion over the life of the improvement, and Tenant's Tax Payment shall only include the amortized portion of such assessment for each Lease Year during the Term. Tenant agrees to pay any Real Estate Taxes sufficiently in advance to achieve any available discounts or other savings. All assessments which may be paid in installments shall be paid by Tenant in the maximum number of installments permitted by law and not included in Real Estate Taxes except in the year in which the assessment is actually paid on a case (non-accrual) basis.

5.3 Apportionment for Partial Year. Landlord and Tenant shall adjust pro rata the Real Estate Taxes for and with respect to any portion of the Term which does not include an entire fiscal tax year.

5.4 Right to Seek Exemption. If the Premises are (or during the Term become) eligible for exemption from Real Estate Taxes under controlling Legal Requirements, then the Parties shall cooperate to apply for and obtain any exemption from Real Estate Taxes for which the Premises may qualify. In connection with such efforts, Landlord shall deliver to Tenant any documents and other information currently within Landlord's possession or under its control, prepare and execute such others documents, and generally take such further reasonable measures as may be required to enable or obtain such exemption. Without limiting the foregoing, Landlord expressly covenants that, if necessary to enable or obtain such exemption, Landlord shall also exercise reasonable efforts to cooperate with Tenant to restructure certain pertinent conveyances of interests in the Premises as needed to optimize the likelihood of enabling or obtaining such an exemption. Landlord shall bear the ordinary cost of such reasonable efforts, but shall be entitled to reimbursement from Tenant for costs incurred in connection with any extraordinary measures pursued hereunder. Finally, Landlord agrees to cooperate with Tenant, at no cost, expense or liability to Landlord, to execute any documents required to be executed by the owner of the Premises for Tenant to obtain any other tax exemption credits, refunds or abatements.

5.5 Right to Contest. Tenant shall have the right, at Tenant's sole cost and expense, to contest the validity or amount of the assessed valuation or Real Estate Taxes for any real estate fiscal tax year, by appropriate proceedings in the name of Landlord or Tenant, or both, provided that the Premises are not by reason of such contest placed in jeopardy of any tax or similar foreclosure proceeding. Within a reasonable time after demand therefor, Landlord shall execute and deliver to Tenant any documents and other information reasonably required to enable Tenant to prosecute any such proceeding, and Landlord shall use commercially reasonable efforts to provide Tenant, in time to permit Tenant to undertake such contest, with all pertinent data required therefor. Any credit, refund or abatement of Real Estate Taxes relating to any period subsequent to the Rent Commencement Date and before the expiration of earlier termination of this Lease shall belong to and be paid to Tenant. Tenant shall indemnify and hold Landlord and all Landlord Parties harmless from any against all loss, cost liability or expense arising from or in any way related to Tenant's contest of Real Estate Taxes.

5.6 Personal Property Taxes. Tenant shall be liable for and shall pay, at least ten (10) Business Days before delinquency, all taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's

equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property, or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property of Tenant, and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof (but under protest only if requested by Tenant), then Tenant shall, within twenty (20) Business Days after receiving notice thereof, repay to Landlord (as Additional Rent) the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

ARTICLE VI

Landlord's Work; Delivery of Possession; Commencement Date; Tenant's Installations

6.1 Landlord's Work. Landlord shall, at Landlord's sole expense, acquire title to the Premises and commence and exercise all reasonable efforts to cause to be completed the improvements described in the Development Summary annexed hereto as Exhibit D and shown in the schematic plans identified on Exhibit E annexed hereto (collectively, the "**Plans and Specifications**"). The acquisition of the Premises and the construction and completion of the improvements described in the Plans and specifications is referred to herein as "**Landlord's Work**".

6.2 Intentionally Omitted.

6.3 Construction of the Landlord's Work. Landlord's Work shall be constructed (i) in a good and workmanlike manner substantially in accordance with the Plans and Specifications, (ii) in compliance in all material respects with all Legal Requirements and Insurance Requirements, (iii) in compliance in all material respects with all covenants, conditions and restrictions encumbering the Premises, and (iv) such that no building, structure or improvement shall encroach upon or under the property of any other person or entity. Furthermore, Landlord's Work shall include making available at the Premises such utility services (including, without limitation, water, sewer, electricity, natural gas and telephone service) as are required by Tenant and are readily available at or near the boundary of the Premises. Landlord shall use reasonable efforts to achieve Substantial Completion of Landlord's Work on or before August 1, 2013 (the "**Target Commencement Date**"). If for any reason Landlord cannot deliver possession of the Premises to Tenant and achieve Substantial Completion on or before the Target Commencement Date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder or extend the Term, but in such case, Tenant shall not be obligated to pay Rent or perform any other obligation of Tenant under the terms of this Lease, except as may be otherwise provided in this Lease, until the Rent Commencement Date.

6.4 Substantial Completion of Landlord's Work. "**Substantial Completion**" of Landlord's Work shall be deemed to have occurred and Landlord's Work shall be deemed "**Substantially Complete**" when (i) all governmental inspections required for the Landlord's Work have been successfully completed and temporary or permanent Certificates of Occupancy (or its equivalent) and other municipal permits or approvals for Premises have been obtained, in each case if and to the extent required for Tenant to occupy and use the Premises for the Permitted Use, and (ii) Landlord's Work is completed in all material respects in accordance with the Plans and Specifications (except for any Punchlist Items) so that Tenant can commence beneficial use

and occupancy of the Premises as intended. Landlord shall exercise commercially reasonable efforts to complete the Punchlist Items as soon as conditions reasonably permit, and Tenant shall afford Landlord access to the Premises for such purposes; provided, however, without Tenant's permission, Landlord shall not perform any construction during any time that school is in session and students are on the Premises. Within ten (10) Business Days after Substantial Completion, Landlord and Tenant shall conduct a walkthrough of the Premises and jointly prepare a list of Punchlist Items. Without limitation of the foregoing, if any of Landlord's Work is delayed in order to accommodate the installation of furniture and equipment by Tenant including, without limitation, Tenant's Removable Property or by any other Tenant Delay, then Landlord's Work shall be deemed Substantially Complete on the date on which it would have occurred but for such accommodation or other Tenant Delay. Tenant shall give Landlord notice, not later than two (2) calendar months after the Commencement Date of any respects in which Landlord has not completed the Punchlist Items in accordance with the terms of this Lease. Except as identified in any such notice from Tenant to Landlord, Tenant shall have no right to make any claim that Landlord has failed to complete the Punchlist Items in accordance with the terms of this Lease or to require Landlord to perform any further work. Upon timely request by Tenant and at Tenant's sole expense, Landlord agrees to use commercially reasonable efforts to enforce any warranties that may be applicable to Landlord's Work, and to assign such warranties (to the extent they remain in force) to Tenant upon transfer of the Premises to Tenant pursuant to the Option Agreement.

6.5 Budget. Landlord and Tenant have approved a budget for the Development Costs, including a contingency of 10% of all such Development Costs (the "**Budget**"), a copy of which is attached hereto as Schedule E-1. The aggregate amount of the Budget is currently \$7,463,773. In no event may Landlord be required to incur costs (including, without limitation, hard and soft costs) associated or in connection with the Landlord's Work which will cause the Development Costs to exceed the Budget. If at any point it becomes apparent that the Landlord's Work will cause the Development Costs to exceed the Budget, Landlord and Tenant shall meet, consult and negotiate with each other in good faith about reducing the scope of the Landlord's Work so that the Budget will not exceed the Budget Amount; provided, however, that if Landlord and Tenant are unable to agree on such scope reduction within five (5) Business Days after the date Landlord notifies Tenant of the need to do so, the determination shall be made by Landlord within one (1) Business Day after such five (5) Business Day period.

6.6 Tenant Delay. If the Substantial Completion of Landlord's Work shall be delayed as the result of (i) any request by Tenant that Landlord delay the commencement or completion of Landlord's Work for any reason; (ii) any change in any of the Plans and Specifications requested by Tenant; (iii) any change in scope pursuant to Section 6.5 above; (iv) any interference by Tenant (including, without limitation, any delay associated with Tenant's early access pursuant to the Premises pursuant to Section 6.9 or otherwise) with Landlord's Work; (v) any other act or omission of Tenant or its officers, agents, employees or contractors; or (vi) any reasonably necessary displacement of any of Landlord's Work from its place in Landlord's construction schedule resulting from any of the causes for delay referred to in this Section 6.6 and the fitting of such Landlord's Work back into such schedule (each a "**Tenant Delay**"); then the Substantial Completion of Landlord's Work, as determined pursuant to Section 6.4, shall be deemed to have occurred on the date it would have otherwise occurred absent the Tenant Delay. If a delay in Substantial Completion of Landlord's Work under Section 6.4 shall occur as a result of an Unavoidable Delay, and such Unavoidable Delays would not have occurred but for a Tenant Delay, such Unavoidable Delay shall also constitute Tenant Delay.

6.7 As-Built Documents. Landlord shall (or shall cause Landlord's contractor or other agent to) maintain a record of the drawings, specifications, addenda, change orders, change directives and other modifications, and marked currently to record field changes and selections made during construction (the "**As-Built Documents**"). If such As-Built Documents shall be provided to Landlord in electronic format(s), Landlord shall (or shall cause Landlord's contractor or other agent to) provide copies thereof to Tenant, in electronic format(s), upon Tenant's written request for the same.

6.8 Possession of Premises. Tenant shall not be liable to Landlord for the payment of Base Rent or Additional Rent or the payment of any other obligation to be paid by Tenant under this Lease until the Rent Commencement Date. The entry by Tenant for the purpose of inspection or installation of Tenant's Removable Property shall not be considered occupancy for purposes of this Lease and shall not trigger Tenant's obligation to pay Rent under this Lease.

6.9 Tenant's Installations. Before the Commencement Date, Landlord shall reasonably cooperate with Tenant, at no cost to Landlord, to facilitate Tenant's installation of Tenant's Removable Property. The following shall be conditions of Tenant's right to enter the Premises as provided herein before the Commencement Date: (i) that such entry shall not interfere with construction of Landlord's Work; and (ii) any that such entry shall be subject to such rules and regulations as Landlord may reasonably promulgate and Tenant shall fully cooperate with Landlord.

6.10 Tenant's Insurance for Tenant's Removable Property. Tenant shall secure and maintain, at its own expense, the following insurance coverage in full force and effect with respect to the Premises at all times during the design, construction and installation of Tenant's Removable Property and shall require any and all contractor(s) and all subcontractors to maintain the same at all times during the design, construction and installation of Tenant's Removable Property:

6.10.1 property insurance written on an "all risk" builders risk or equivalent policy form for the full replacement cost of Tenant's Removable Property and with deductibles not in excess of commercially reasonable amounts; and

6.10.2 Commercial General Liability insurance on an occurrence basis with a combined limit for bodily injury, personal injury and property damage and products and completed operations of at least \$1,000,000 per occurrence. The limit may be provided through a combination of primary and umbrella/excess liability policies. Limits shall apply on a per project basis. The policy shall include the Landlord and, if requested by Landlord, Landlord's lender as additional insureds.

6.10.3 Worker's Compensation insurance to the extent required, and in the amounts required by applicable Legal Requirements covering Tenant and its employees, as well as employer's liability insurance in the amount of \$1,000,000 per accident, \$1,000,000 per illness (per employee), and \$1,000,000 per illness (aggregate). If borrowed employees are used (including employees from a temporary employment agency) to perform services, the insured shall require the primary employer to provide an alternate employer endorsement showing the insured in the schedule as the alternate employer. The Worker's Compensation policies shall contain a waiver of subrogation provision requiring the insurance carriers to waive all rights against Landlord, all other Landlord Parties, and any lender.

6.10.4 Commercial Automobile Liability insurance on all owned, hired or non-owned vehicles used in connection with Tenant and/or its contractors or subcontractors' operations in the amount of \$1,000,000 combined single limit for bodily injury and property damage. The coverages must extend to employees, agents, and volunteers of Tenant and/or its contractors and subcontractors who use personal vehicles within the course and scope of their employment or service.

6.11 Tenant's Indemnity for Tenant's Installations. Tenant shall indemnify and hold harmless Landlord and all other Landlord Parties from and against all claims, damages, losses and expenses, including reasonable attorneys' fees, arising out of or resulting from the installation of Tenant's Removable Property, to the extent caused by any act or omission of Tenant or Tenant's contractor(s), any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, and which involves bodily injury, sickness, disease or death, or injury to or destruction of property, including the loss of use resulting therefrom. In any and all claims against Landlord or any other Landlord Party, by any Tenant Party, the indemnification obligation under this Section 6.11 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant or such Tenant Party under workers' compensation acts, disability benefit acts or other employee benefit acts.

6.12 Tenant's Removable Property. All articles of personal property and all business and trade fixtures, machinery, workstations, equipment, furniture and other property and equipment installed or placed by Tenant in the Premises (whether affixed or unaffixed to the Premises), owned and used by Tenant for the Permitted Use ("**Tenant's Removable Property**") shall remain the property of Tenant and may be removed by Tenant at any time on or before the date of expiration of this Lease in accordance with the provisions of ARTICLE X of this Lease; *provided* Tenant restores any damage caused by such removal.

6.13 Dispute Resolution. If the Parties shall disagree with respect to any matter covered in this ARTICLE VI, and the Parties are unable to reach agreement thereon within five (5) Business Days, such dispute may be submitted by either Party to arbitration for expedited proceedings under the Fast Track Procedures provisions (currently, Rules F-1 through F-13) of the Arbitration Rules of the Construction Industry of the American Arbitration Association (the "AAA"), with both Parties agreeing to waive the \$75,000 qualification in such rules. In any case where the Parties utilize such expedited arbitration: (i) the Parties may not object if the arbitrator so appointed was on the list submitted by the AAA and was not objected to in accordance with Rule F-4 (except that any objection shall be made within five (5) Business Days from transmission of the list), (ii) the Notice of Hearing shall be given at least ten (10) Business Days in advance of the hearing, (iii) the first hearing shall be held within ten (10) Business Days after the appointment of the arbitrator, and (iv) each Party in such arbitration shall pay its own attorneys' fees and other costs of such arbitration and the losing Party shall pay the costs charged by the AAA and/or the arbitrator. Judgment upon any award rendered in any arbitration held pursuant to this Section 6.13 may be entered in any court having jurisdiction, and in connection therewith, the arbitrators shall be bound by the provisions of this Lease, and shall not add to, subtract from or otherwise modify such provisions. Prior written notice of application by either Party for arbitration shall be given to the other at least ten (10) Business Days before filing of any demand for arbitration hereunder. Any award of an arbitrator rendered hereunder shall be subject to confirmation and entry of judgment thereon in any court of competent jurisdiction sitting in Wayne County, Michigan, and the Parties hereby consent to the jurisdiction of such court. The

costs and administration expenses of each arbitration hereunder and their apportionment between the Parties shall be borne equally by the Parties, and each Party shall be responsible its own attorneys' fees and expert witness fees. In connection with the foregoing, it is expressly understood and agreed that the Parties shall continue to perform their respective obligations under this Lease during the pending of any such arbitration proceeding hereunder (with any adjustments or reallocations to be made on account of such continued performance as determined by the arbitrator in his or her award).

ARTICLE VII

Compliance with Legal Requirements; Reporting Requirements and Covenants

7.1 Landlord's Compliance with Legal Requirements; Reporting Requirements and Covenants. As of the Commencement Date, Landlord shall deliver the Premises to Tenant with the Premises and Landlord's Work (to the extent then completed) in compliance in all material respects with applicable Legal Requirements.

7.2 Notices. Tenant shall give prompt notice to Landlord of any notice it receives of the violation of any Legal Requirement with respect to the Premises or the use or occupation thereof.

7.3 Tenant's Compliance with Legal Requirements. Tenant shall throughout the Term of this Lease, at Tenant's sole cost and expense, promptly comply or cause compliance with or remove or cure any violation of any and all Legal Requirements, whether or not such compliance requires work which is structural or non-structural, ordinary or extraordinary, foreseen or unforeseen, unless due to Landlord's breach of its obligations hereunder. Without limiting the generality of the foregoing, it is specifically agreed that Tenant shall comply with all Legal Requirements and Insurance Requirements that require the installation, modification, addition, change, alteration, repair, replacement or maintenance of any fire-rated partition, gas, smoke, or fire or smoke detectors or heat sensors or alarm or any sprinkler, fire extinguishers or other system to extinguish fires. However, Tenant need not comply with any such Legal Requirements so long as Tenant shall be contesting the validity thereof, or the applicability thereof to the Premises, in accordance with Section 7.4.

7.4 Contest of Legal Requirement. Tenant, at its expense, after notice to Landlord, may contest, by appropriate proceedings prosecuted diligently and in good faith, the validity, or applicability to the Premises, of any Legal Requirement; *provided* that (i) Landlord shall not be subject to criminal penalty or to prosecution for a crime, or any other fine or charge, nor shall the Premises or the Building, or any part thereof, be subject to being condemned or vacated, nor shall the Building or Premises, or any part thereof, be subjected to any lien or encumbrance, by reason of non-compliance or otherwise by reason of such contest; (ii) before the commencement of such contest, Tenant shall furnish to Landlord security in amount, form and substance satisfactory to Landlord and shall indemnify Landlord against the cost thereof and against all liability for damages, interest, penalties and expenses (including reasonable attorneys' fees and expenses), resulting from or incurred in connection with such contest or non-compliance; (iii) such noncompliance or contest shall not prevent Landlord from obtaining any permits, certificates of occupancy, licenses, amendments or renewals thereof in connection with the operation of or alterations to the Building; and (iv) Tenant shall keep Landlord advised as to the status of such proceedings. Tenant shall indemnify and hold Landlord and all Landlord Parties harmless from

and against all lost, cost, liability and expense arising from or in any way related to Tenant's contest of any Legal Requirement.

7.5 Reporting Requirements; Financial Covenants. Tenant shall maintain and make available to Landlord proper books of records and accounts reflecting all of its operations, with full, true, and correct entries of all of its dealings made substantially in accordance with practices generally used for public school accounting in the State of Michigan.

7.5.1 Without in any way limiting the foregoing, Tenant shall during the Term deliver the following documents to Landlord at the times specified therein:

(a) A signed copy of the Charter School Contract contemporaneously with the execution of this Lease;

(b) A signed copy of any subsequent modification or amendment to the Charter School Contract within ten (10) Business Days after the such modification or amendment is executed by the Authorizer and Tenant;

(c) Copies of any material notices received from the Authorizer and concerning, or issued in connection with, the Charter School Contract within ten (10) Business Days after receipt by Tenant;

(d) Copies, not less than ten (10) Business Days in advance of the scheduled meeting, of any notice(s) of any meeting(s) that shall be conducted by Tenant, in any part, as an open meeting under Michigan Compiled Laws §§ 15.261-.275;

(e) Copies of all enrollment reports that Tenant may submit to the Michigan Department of Education (the "**Department**") , simultaneously with submission thereof to the Department;

(f) Copies of all audited financial statements, audit reports (including financial, enrollment, participation, eligibility, and other audits of all kinds), and auditor management letters that Tenant must submit to the Authorizer under the Charter School Contract, simultaneously with submission thereof to the Authorizer; and

(g) Copies of all school calendars that Tenant must submit to the Authorizer under the Charter School Contract, simultaneously with submission thereof to the Authorizer.

In addition, Tenant shall promptly provide Landlord with copies of such unaudited financial statements and unaudited enrollment, participation, eligibility, and other reports as Landlord may from time to time request.

7.5.2 During the Term of this Lease, Tenant:

(a) Shall comply, and cause each of its agents, employees, invitees and contractors to comply, in all material respects, with all terms and provisions of the Charter School Contract;

(b) Shall not voluntarily agree to any termination or amendment of the Charter School Contract without Landlord's prior written consent (which may be granted or withheld in

Landlord's sole discretion), nor voluntarily agree to any termination or modification of the Charter School Contract;

(c) Shall not do, or permit or suffer to be done, any act or omission by Tenant, its agents, employees, contractors or invitees which is prohibited by the Charter School Contract, or which would constitute a violation or default thereunder, or result in a forfeiture, termination or non-renewal of the Charter School Contract or result in Tenant or the Charter School Contract being placed on academic probation by the Authorizer or other charter school governing authority.

7.5.3 Tenant shall be in default of this Lease if any of the following occurs:

(a) More than 20% of Tenant's total operating budget is expended on facilities expenses, including the Rent due under this Lease; or

(b) Tenant's total student enrollment is less than eighty percent (80%) of the scheduled enrollments set forth below for the applicable Lease Years:

- Lease Year 1: 271 students
- Lease Year 2: 309 students
- Lease Year 3: 356 students
- Lease Year 4: 404 students
- Lease Year 5: 451 students

ARTICLE VIII Indemnity and Insurance

8.1 Indemnification. Except to the extent resulting from the gross negligence or intentional misconduct of Landlord or any Landlord Party claiming indemnification, Tenant shall indemnify, defend, save and hold harmless Landlord and all other Landlord Parties from and against any and all demands, claims, causes of action, fines, penalties, damages, losses, liabilities (including, but not limited to, strict liability), judgments, and expenses (including, without limitation, reasonable attorneys' fees and expenses, filing and other court costs) incurred in connection with or arising from any of the following: (i) the use, condition, operation or occupancy of the Premises, including, but not limited to, the presence of any Dangerous Condition; (ii) any activity, work, or thing done, or permitted or suffered by or through Tenant in or about the Premises; (iii) any acts, omissions, or negligence of Tenant or any Tenant Party; (iv) any claim of any students, staff, employees or other invitees of Tenant or any Tenant Party, including claims alleging breach or violation of such person's civil or legal rights; (v) any breach, violation, or nonperformance by Tenant or any Tenant Party, of any term, covenant, or provision of this Lease or any Legal Requirement; (vi) any injury or damage to the person, property or business of Tenant or any Tenant Party, or any other person entering upon the Premises under the express or implied invitation of Tenant; and (vii) any accident, injury to or death of persons or loss or damage to any item of property occurring at the Premises. If any action or proceeding is brought against Landlord or any Landlord Party by reason of any such indemnified claim as set

forth above, Tenant, upon notice from Landlord, will defend the claim at Tenant's sole cost and expense with counsel reasonably satisfactory to Landlord. If Landlord reasonably determines that the interests of Landlord or such Landlord Party and the interests of Tenant in any such action or proceeding are not substantially the same and that Tenant's counsel cannot adequately represent the interests of Landlord or such Landlord Party with respect to such indemnified claim as set forth above, Landlord shall have the right to hire separate counsel in any such action or proceeding and the costs and expenses thereof, including all attorneys' fees and expenses, shall be paid for by Tenant.

8.2 Tenant's Insurance.

8.2.1 Tenant covenants and agrees that from and after the Commencement Date and during the Term of this Lease and thereafter so long as Tenant is in occupancy of any part of the Premises or such longer period as specified herein, Tenant shall carry and maintain, at its sole cost and expense, the following types of insurance, naming Landlord and Landlord's lender as additional insured or loss payee, as applicable, in the amounts specified and in the forms hereinafter provided with insurance companies authorized to do business in the State of Michigan and rated A:IX or better in the most current edition of Best's Insurance Report or a Standard and Poor's rating of "AA" (or the then equivalent of such rating) ("**Tenant's Insurance Requirements**"):

(a) Commercial General Liability Insurance. Tenant shall obtain and maintain Commercial General Liability insurance on the broadest forms available for similar risks, written on an "occurrence policy form," against all claims for bodily injury, disease or death, property damage, personal injury, premises operations, products and completed operations, consultants and independent contractors and contractual liability in an amount of not less than \$1,000,000 arising out of any one occurrence and \$2,000,000 in the annual aggregate, per location. The policy must include coverage for molestation and sexual abuse (unless provided under the professional liability policy required in this Section) and coverage for sports and athletic participation if applicable. The policy must include as insureds the Tenant's employees, volunteers and directors. The policy shall be endorsed to include Landlord, its managers, members, directors, officers, employees, agents, affiliates, successors and assigns and any lender as additional insureds on a primary and non-contributory basis. Tenant shall maintain the commercial general liability coverage as specified herein for a minimum of one year after termination of this Lease.

(b) Umbrella Liability Insurance. Tenant shall obtain and maintain Umbrella Liability Insurance on the broadest forms available for similar risks, written on an "occurrence policy form," against all liability claims in an amount of not less than \$4,000,000 per occurrence and in the annual aggregate, per location. If liability coverage for the Premises is included under any blanket policy written on an aggregate form, then the annual aggregate limit of insurance applying solely to the Premises must be not less than \$5,000,000.

(c) Worker's Compensation / Employer's Liability. Tenant shall obtain and maintain Worker's Compensation insurance to the extent required, and in the amounts required by applicable Legal Requirements covering Tenant and its employees and employer's liability insurance in the amount of \$1,000,000 per accident, \$1,000,000 per illness (per employee) and \$1,000,000 per illness (aggregate). If Tenant uses borrowed employees (including employees from a temporary employment agency) to perform services, it shall require the primary employer

to provide an alternate employer endorsement showing Tenant in the schedule as the alternate employer. The Workers' Compensation policies shall contain a waiver of subrogation provision requiring the insurance carriers to waive all rights against Landlord and all other Landlord Parties and any lender.

(d) Commercial Automobile Liability Insurance. Tenant shall obtain and maintain Commercial Automobile Liability insurance on all owned, hired or non-owned vehicles used in connection with Tenant's operations in the amount of \$1,000,000 combined single limit for bodily injury and property damage. The coverages must afford coverages to Tenant for Tenant's liability arising out of the use by employees, agents, and volunteers of Tenant utilizing personal vehicles within the course and scope of their employment or service.

(e) Educators Liability Insurance. Tenant shall obtain and maintain Educators Liability insurance (errors and omissions) with limits of insurance no less than \$1,000,000 per claim and \$2,000,000 in the aggregate. Coverage shall include employment practices, student liability, corporal punishment and sexual misconduct. This policy must also provide coverage for third party liability losses, including losses that arise out of local, state, or federal anti discrimination laws, except that Tenant may instead to elect provide coverage for losses that arise out of local, state, or federal antidiscrimination laws through a separate employment practices liability insurance (EPLI) policy that has limits of not less than \$1,000,000 per claim, \$2,000,000 in the aggregate. Tenant shall maintain the insurance required in this subsection for a minimum of three years after termination of this Lease.

(f) Crime / Employee Theft. Tenant shall obtain and keep in force a Crime / Employee Theft insurance policy covering its employees, volunteers and the acts of any third party vendor or contractor that otherwise might have the opportunity to misappropriate Tenant's property or funds, with limits of not less than \$500,000 per occurrence.

(g) Personal Property Insurance. Tenant shall obtain and maintain insurance coverage on all of Tenant's Removable Property. Such insurance shall be full replacement cost coverage with a deductible not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Tenant for the repair or replacement of Tenant's Removable Property. Tenant shall provide Landlord with written evidence that such insurance is in force no later than three (3) Business Days before the Commencement Date.

(h) Other. In addition, Tenant shall obtain and maintain the following coverages:

(i) Student Accident Insurance in an amount of not less than \$10,000 per occurrence;

(ii) Directors' and Officers' Insurance in an amount of not less than \$1,000,000 per occurrence; and

(iii) Any other commercially reasonable insurance types or amounts that Landlord or any lender requires.

8.2.2 Blanket Policies. Tenant may maintain any of its required insurance coverages under blanket policies of insurance covering said Premises and other premises of

Tenant, or companies affiliated with Tenant, provided that any such policy shall in all other respects comply with the requirements of this Lease.

8.2.3 Tenant's Policies and/or Certificates of Insurance. Each policy shall not have more than a \$25,000 deductible or retention for any occurrence, except for mandatory deductibles or retentions where required under local regulations, or when required by insurers for specific catastrophic perils. Tenant shall obtain, before the expiration date of each such policy, original policies (or renewals or extensions of the insurance afforded thereby), certified duplicates thereof or certificates thereof (together with copies of endorsements for each additional insured) acceptable to Landlord. The above mentioned policies, and proof of payment of all premiums therefor, are to be provided to Landlord at least five (5) Business Days before the Commencement Date and at least annually thereafter or as requested by Landlord. Each such policy shall provide that Landlord be given written notice at least five (5) Business Days before the expiration, material alteration, cancellation or non-renewal of any policies, and that any loss otherwise payable to them thereunder shall be paid notwithstanding any act or negligence on their part or that of the Tenant which might, absent such provision, result in a forfeiture of all or part of such insurance payment. If Tenant fails to furnish said notice or policies as provided in this Lease, and at the times herein provided, Landlord may obtain such insurance and the premiums on such insurance shall be deemed to be Additional Rent to be paid to Landlord upon demand. Tenant shall be responsible for the cost of any and all premiums on all such insurance to be carried by the Tenant. Final insurance policies shall be sent to the attention of: Canyon-Agassi Charter School Facilities Fund, L.P. c/o Canyon Capital Realty Advisors LLC, 2000 Avenue of the Stars, 11th Floor, Los Angeles, California 90067, Attn: Bari Cooper Sherman, Fax: (310) 272-1537.

8.3 Landlord's Insurance.

8.3.1 Landlord shall obtain and maintain, at Tenant's expense (including, without limitation, deductibles not to exceed \$50,000) all of the following (altogether, the "**Landlord's Insurance**"):

(a) Property insurance on an "All Risk" basis and for such other insurable hazards as, under good insurance practices, are insured against for other property and buildings similar to the Premises in nature, use, location, height, and type of construction. Such policy shall include all standard perils including wind. The amount of such insurance shall be not less than one hundred percent (100%) of the replacement cost without depreciation of the Premises. Such insurance policy shall contain an agreed amount endorsement and not subject to any form of coinsurance. Such insurance shall cover mechanical breakdown and testing, increased cost of Legal Requirements, insurance, costs of demolition and increased cost of construction as well as rent loss and business interruption coverage, including, business income and extra expense, for an extended period of indemnity of at least twelve (12) months. During the period of any construction, repair, renovation, restoration or replacement of the improvements or the Premises, Landlord shall obtain and maintain, at Tenant's expense (including, without limitation, deductibles), a completed value "All Risk" Builder's Risk Insurance policy for the full replacement cost of the Premises (including upgrades and any leasehold improvements but excluding Tenant's Removable Property and Alterations made by Tenant). The policy is to be written on a non-reporting basis, and in an amount not less than the total value of the Premises (less the value of such uninsurable items as land, site preparation, grading, paving, and parking lots). Such policy shall not contain a permission to occupy limitation. The policy shall contain an agreed amount endorsement and not subject to any form of coinsurance. Such policy shall not

have exclusions for sidewalks, retaining walls or underground property. The policy must not contain any "Protective Safeguard" endorsements limiting coverage. Coverage shall be provided for against the standard perils. Such policy shall include coverage for mechanical breakdown and testing, collapse, expediting expenses, demolition and increased cost of construction (for renovation and/or additions to existing structures), water damage, and permission for partial occupancy.

(b) Pollution and Environmental Impairment Liability insurance, insuring Landlord (with both "first-party" and "third-party" coverages) against pollution-related liabilities arising with respect to the Premises, including (without limitation) bodily injury, property damage, remediation expenses (including investigation, monitoring, removal, and disposal), and defense costs (including adjustment and costs incurred in defending a claim) related to the same.

(c) Commercial General Liability and Umbrella Liability insurance, on the broadest forms available for similar risks, written on an "occurrence policy form," and insuring against all claims for bodily injury, disease or death, property damage, personal injury, premises operations, products and completed operations, consultants and independent contractors and contractual liability, and including (without limitation) coverage for molestation and sexual abuse and coverage for sports and athletic participation if applicable. Landlord currently carries liability limits of \$35,000,000 per occurrence and in the aggregate. Landlord shall have no obligation to carry a specific limit, but rather may amend its limits from time to time in its sole discretion.

8.3.2 Tenant shall pay to Landlord, as Additional Rent, an amount equal to the premiums for the insurance coverages which Landlord maintains pursuant to this ARTICLE VIII attributable to each calendar year during the Term (the "**Premiums**"), such amount to be apportioned for any portion of a calendar year in which the Commencement Date falls or the Term expires. Upon a casualty, Tenant shall immediately pay to Landlord the applicable deductible under the insurance which Landlord is to or may obtain pursuant to this ARTICLE VIII.

8.3.3 Estimated payments by Tenant on account of the Premiums shall be made on the first Business Day of each and every calendar month during the Term of this Lease, in the fashion herein provided for the payment of Base Rent. The monthly amount so to be paid to Landlord shall be sufficient to provide Landlord by the time Premiums are due with a sum equal to Tenant's required payment, as reasonably estimated by Landlord from time to time, on account of the Premiums for the then current calendar year. Promptly after receipt by Landlord of bills for such Premiums, Landlord shall advise Tenant of the amount thereof and the computation of Tenant's total payment due on account thereof. If estimated payments theretofore made by Tenant for the calendar year covered by such bills exceed the required payment on account thereof for such calendar year, Landlord shall credit the amount of overpayment against subsequent obligations of Tenant on account of the Premiums (or promptly refund such overpayment if the Term of this Lease has ended and Tenant has no further obligation to Landlord); but if the required payments on account thereof for such calendar year are greater than estimated payments theretofore made on account thereof for such calendar year, Tenant shall pay the difference to Landlord within twenty (20) Business Days after being so advised by Landlord, and the obligation to make such payment for any period within the Term shall survive expiration of the Term.

8.3.4 Landlord shall have the right to provide insurance coverage which it is obligated to carry pursuant to the terms hereof in a blanket policy, provided such blanket policy expressly affords coverage to the Premises as required by this Lease.

8.4 Waiver of Subrogation. Notwithstanding anything to the contrary contained elsewhere in this Lease, neither Landlord nor Tenant shall be liable to the other Party or to any insurance company insuring the other Party by way of subrogated rights or otherwise, for any loss or damage caused by fire or any other hazard or peril covered by fire or extended coverage or all risk insurance or required to be covered by the insurance coverages under this Lease, or any resulting loss of income, even though such loss or damage may have been occasioned by the negligence of such Party, its agents or employees.

8.5 Tenant's Risk; Landlord Not Responsible for Acts of Others. Tenant agrees to use and occupy the Premises at Tenant's own risk. Landlord shall not be liable to Tenant or any other Tenant Party for any damage, injury, loss, compensation, or claim (including, but not limited to, claims for the interruption of or loss to Tenant's business) based on, arising out of or resulting from any cause whatsoever, including, but not limited to, repairs or construction to any portion of the Premises. Nor shall Landlord be liable to Tenant or any other Tenant Party for any fire, robbery, theft, mysterious disappearance and/or any other crime or casualty, or any leakage in any part or portion of the Premises, or from water, rain or snow that may leak into, or flow from any part of the Premises, or from drains, pipes or plumbing fixtures at the Premises, or from the roof, street, subsurface or from any other place, or from the breakage, leakage, obstruction, or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures of the Premises. Notwithstanding the foregoing, however, Landlord shall in no event be exonerated from any liability to Tenant or any other Tenant Party, for any injury, loss, damage or liability to the extent such exonerated is prohibited by law. Any goods, property or personal effects stored or placed in or about the Premises shall be at the sole risk and hazard of Tenant, and neither Landlord nor any Landlord Party nor Landlord's insurers shall in any manner be held responsible therefor and in no event shall Landlord, or any other Landlord Party have any liability to Tenant or any Tenant Party based on any loss with respect to or interruption in the operation of Tenant's business. The provisions of this Section 8.5 shall be applicable from and after the execution of this Lease and until the end of the Term of this Lease, and during such further period as Tenant may use or be in occupancy of any part of the Premises. Landlord shall not be responsible or liable to Tenant, or any Tenant Party for any loss or damage to persons or property resulting from the negligence, acts or omissions of persons occupying space adjoining or adjacent to the Premises, or connected to the Premises, or occupying any other part of the Building, or of any of their respective agents, employees, contractors, invitees or customers, including, without limitation, caused by breaking or falling of electrical cables and wires, or the breaking, bursting, stoppage or leakage of water, gas, sewer or steam pipes.

ARTICLE IX

Alterations

9.1 Alterations. Except as hereinafter provided, after completion of Landlord's Work in accordance with the Plans and Specifications, Tenant shall make no additions, installations, improvements, replacements and/or alterations in or to the Premises (hereinafter "**Alterations**") without the prior written consent of Landlord, which shall not be unreasonably withheld or

delayed. If Landlord fails to respond to a request for approval within five (5) Business Days of Tenant's request, then Tenant's written request shall be deemed disapproved by Landlord.

9.1.1 Notwithstanding the above, Tenant shall have the right to make from time to time, at its expense, non-structural Alterations to the interior of the Premises without obtaining Landlord's consent ("**Permitted Alterations**"); *provided however*, that such Alterations are not Material Alterations, provided further that Tenant notifies Landlord of the intended Alterations to the interior of the Premises in reasonable detail, together with an estimate of the cost thereof, at least ten (10) Business Days before its commencement of such Permitted Alterations. All Alterations made by or for Tenant shall be done in a good and workmanlike manner and diligently prosecuted to completion, in compliance with applicable Legal Requirements.

9.1.2 Alterations that (i) cost in excess of \$10,000 or (ii) are not in compliance with Legal Requirements or Insurance Requirements, or (iii) in Landlord's sole judgment, affect the Building Systems, the structural integrity of the Building or any part thereof, or the exterior of the Building or other structures on the Premises shall be deemed "**Material Alterations**" and shall not be performed without the prior written consent of Landlord, which consent shall be granted or withheld in Landlord's sole and absolute discretion.

9.1.3 If Landlord requires Tenant to remove a Material Alteration at the expiration of the Lease, Landlord shall notify Tenant of this effect simultaneously with Landlord's grant of approval of such Material Alteration. All Alterations, additions and improvements to the Premises (including fixtures and equipment) made by or for Tenant shall be done in a good and workmanlike manner and diligently prosecuted to completion, in compliance with applicable Legal Requirements and Insurance Requirements.

(a) Any Alterations in or to the mechanical, electrical, plumbing, sanitary, heating, air conditioning, ventilation, life safety or other systems of the Building or to or affecting the roof or any other structural part of the Building, shall be performed only by contractor(s) approved by Landlord.

9.2 Review and Approval Solely for Tenant's Benefit. Tenant agrees that any review or approval by Landlord of Tenant's Alteration plans is solely for Landlord's benefit, and without any representation or warranty whatsoever to Tenant with respect to the adequacy, correctness or efficiency thereof or otherwise.

9.3 Tenant's Obligation to Furnish Documents to Landlord. Tenant, at its expense, shall obtain (and furnish true and complete copies to Landlord of) all necessary governmental permits and certificates for the performance of Alterations and for final approval thereof upon completion, and shall cause Alterations to be performed in compliance therewith, with all Legal Requirements and Insurance Requirements, and with the plans and specifications submitted to, and approved by Landlord pursuant to Section 9.1 hereof. Alterations shall be performed in such manner as not to impose any additional expense upon Landlord in the construction, maintenance, repair or operation of the Building, and if any such additional expense shall be incurred by Landlord as a result of Tenant's performance of Alterations, Tenant shall pay such additional expense upon demand as Additional Rent. Throughout the performance of Alterations, Tenant, at its expense, shall carry, or cause to be carried, worker's compensation insurance in statutory limits, employer's liability insurance, disability benefits insurance, property insurance, builder's risk insurance and general liability insurance, with completed operation endorsement, for any

occurrence in or about the Premises, and covering construction subcontractors and materialmen to be employed by Tenant, under which Landlord shall be named as additional insured, in such limits as Landlord may reasonably require, with insurers reasonably satisfactory to Landlord. Tenant shall furnish Landlord with reasonably satisfactory evidence that such insurance is in effect at or before the commencement of Alterations and, on request, at reasonable intervals thereafter during the continuance of Alterations.

9.4 Notice of Violations. Tenant, at its expense, and with diligence and dispatch, shall procure the cancellation or discharge of all notices of violation arising from or otherwise connected with Alterations, or any other work, labor, services or materials done for or supplied to Tenant, or any Tenant Parties which shall be issued by any public authority having or asserting jurisdiction. However, nothing herein contained shall prevent Tenant from contesting, in good faith and at its own expense, any notice of violation; *provided* neither Landlord nor the Premises is adversely affected thereby.

9.5 "As-Built" Drawings. Tenant shall promptly upon the completion of a Material Alteration deliver to Landlord final "as-built" drawings certified by Tenant's architect of any Alterations Tenant has performed or caused to be performed in the Premises, and upon Landlord's request Tenant shall furnish updated drawings and specifications, if any, for Alterations in progress.

9.6 Liens. Tenant shall cause all contractors performing, and suppliers supplying materials for, Alterations shall be paid in full, so that the Premises and the Building shall at all times be free of liens for labor and materials supplied or claimed to have been supplied. In addition, Landlord shall have the right at all times to post and maintain upon the Premises such notices as may be necessary or desirable to keep the Premises and Landlord free of lien from any mechanic, laborer, materialman, supplier or vendor.

9.6.1 Any mechanic's lien filed against the Premises for work claimed to have been done for, or for materials claimed to have been furnished to, Tenant shall be discharged by Tenant within fifteen (15) Business Days after such filing, by payment, filing of the bond required by law or otherwise, and Tenant shall provide satisfactory proof of such discharge to Landlord. In default thereof, Landlord may, upon ten (10) Business Days prior notice to Tenant, discharge any such mechanic's lien, by bond or payment, or otherwise, and the cost thereof shall be paid by Tenant to Landlord within ten (10) Business Days after demand. Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanic's lien or other lien for any such labor or materials shall attach to or affect the reversion or other estate or interest of Landlord in and to the Premises. Tenant shall indemnify and hold Landlord and all other Landlord Parties harmless from and against any and all expenses, liens, claims, liabilities and damages based on or arising, directly or indirectly, by reason of the making of any alterations, additions or improvements by or on behalf of Tenant to the Premises under this Section, which obligation shall survive the expiration or termination of this Lease.

9.6.2 Tenant's Removable Property shall be fully paid for by Tenant in cash and shall not be subject to conditional bills of sale, security interests, chattel mortgages or other title retention agreements.

9.7 Removal of Rubbish. Tenant, at its sole cost and expense, shall remove and dispose (in accordance with all Legal Requirements and Rules and Regulations) all rubbish arising from Tenant's Alterations.

ARTICLE X

Landlord's and Tenant's Removable Property

10.1 Landlord's Property. Other than Tenant's Removable Property, all fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, including Landlord's Work, whether or not by or at the expense of Tenant, shall be and remain a part of the Premises, shall, upon the expiration or sooner termination of this Lease, be deemed the property of Landlord and shall not be removed by Tenant ("**Landlord's Property**").

10.2 Tenant's Removable Property. All of Tenant's Removable Property shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided, that if any of Tenant's Removable Property is removed, Tenant shall repair or pay the cost of repairing any damage to the Premises or to the Building resulting from the installation and/or removal thereof.

10.3 Timing of Removal of Tenant's Removable Property. At or before the Expiration Date (or within fifteen (15) calendar days after any earlier termination of this Lease, as the case may be), Tenant, at its expense, shall remove from the Premises all of Tenant's Removable Property (except such items thereof as Landlord shall have expressly permitted to remain, which property shall become the property of Landlord), and Tenant shall repair any damage to the Premises or the Building resulting from removal of Tenant's Removable Property.

10.4 Abandoned Property. Any other items of Tenant's Removable Property which shall remain in the Premises after the Expiration Date, or within twenty (20) Business Days following an earlier termination of this Lease, may at the option of Landlord be deemed abandoned, and in such case such items may either be retained by Landlord as its property or disposed of by Landlord, without accountability, in such manner as Landlord shall determine, at Tenant's expense.

ARTICLE XI

Repairs and Maintenance

11.1 Tenant's Obligations.

11.1.1 Save and except for (i) the completion of Landlord's Work, and (ii) except as provided in Section 11.2, Tenant shall, at its expense, throughout the Term, maintain the Premises in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Tenant, and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all mechanical, electrical, plumbing, life safety (including sprinkler systems), heating, ventilation, and air conditioning systems of the Building (the "**Building Systems**"), boilers, pressure vessels, fixtures, walls (interior and exterior), ceilings, floors, windows, doors, plate glass, skylights, landscaping,

driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Tenant is also responsible for keeping the roof and roof drainage clean and free of debris. Tenant, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including (i) the procurement and maintenance of the service contracts required by this Section 11.1, (ii) timely observance of all procedures itemized under the Building Maintenance Checklist set forth on the Exhibit J attached to and made a part of this Lease, and (iii) due and timely performance of all measures reasonably necessary to assure that the Premises shall remain in full compliance with the Due Care Plan, as required under Section 4.2.2. Tenant's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Tenant shall, during the Term, keep the exterior appearance of the improvements on the Premises in a first class condition (including, e.g., graffiti removal) consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity and Tenant shall surrender the Premises, at the end of the Term, in such condition, reasonable wear and tear excepted; provided, however, that Tenant has engaged in good maintenance and preventative maintenance practices and Tenant shall be obligated to replace worn out items. Tenant shall be responsible for the cost of repairs which may be made necessary by reason of damage to the Building caused by any act or neglect of Tenant or any Tenant Party (including any damage by fire or other casualty arising therefrom). Tenant shall not, in the course of its repair, maintenance or construction, invalidate any of the warranties on the Premises, including, but not limited to those that relate to the roof, the stormwater management system, the elevator, and the sprinkler systems. All of such repairs and replacements shall be of good quality sufficient for the proper maintenance and operation of the Premises, and shall be constructed and installed in compliance with Legal Requirements and Insurance Requirements. Repairs or replacements to Building Systems may be performed only by contractors approved in advance by Landlord.

11.1.2 Tenant shall not permit the accumulation of waste or refuse matter, nor permit anything to be done upon the Premises that would invalidate or prevent the procurement of any insurance policies or governmental permits, licenses or approvals that may at any time be required pursuant to the provisions hereof. Tenant shall not place a load upon any floor in the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by Legal Requirements. Landlord reserves the right to prescribe the weight and position of all business machines and mechanical equipment, including safes, which shall be placed so as to distribute the weight.

11.1.3 Tenant shall, at Tenant's sole expense, obtain and keep in full force and effect during the Term of this Lease (with copies to Landlord, and in customary form and substance reasonably acceptable to, and with contractors reasonably approved by, Landlord) service contracts for such of the Building Systems as are indicated for a "service agreement" on the attached Exhibit J, as well as for any other equipment as to which such contracts shall reasonably be required by Landlord. If Tenant shall fail to obtain or maintain the service contracts required pursuant to this Section 11.1.3, Landlord may, after ten (10) Business Days' notice to Tenant, obtain and maintain the same, and the reasonable cost thereof shall be collectible by Landlord, upon demand, as Additional Rent.

11.1.4 If repairs, maintenance or other work is required to be made by Tenant pursuant to the terms of this Lease, and Tenant fails to commence the repairs and/or other obligations and diligently prosecute such repairs and/or obligations to completion, upon not less

than ten (10) Business Days' prior written notice (except that no notice shall be required in the event of an emergency), Landlord may make or cause such repairs to be made or such obligations to be performed (but shall not be required to do so), and all costs incurred by Landlord in connection therewith shall be paid by Tenant to Landlord on demand and shall be Additional Rent. Landlord shall not be responsible to Tenant for any loss or damage whatsoever that may accrue to Tenant's stock or business by reason of Landlord's making such repairs.

11.1.5 Tenant shall be solely responsible for security measures at the Premises. Tenant acknowledges that Landlord has not undertaken any duty whatsoever to provide security for the Premises and, accordingly, Landlord is not responsible for the security of same or the protection of Tenant's property or Tenant's employees, invitees, students, parents, or contractors from any cause whatsoever, including but not limited to criminal and/or terrorist acts. To the extent Tenant determines that such security or protection services are advisable or necessary, Tenant shall arrange for and pay the costs of providing same. Landlord shall have no responsibility to prevent, and shall not be liable to Tenant for losses due to theft, burglary or other criminal activity, or for damages or injuries to persons or property resulting from persons gaining access to the Premises, and Tenant hereby releases Landlord and all other Landlord Parties from all liabilities for such losses, damages or injury, regardless of the cause thereof.

11.2 Landlord's Obligations.

11.2.1 Landlord, at its sole cost, except as provided in Section 11.1 above, shall maintain, repair and replace the roof of the Building (except Tenant shall be responsible for the payment of all costs of repairs and replacements to the roof required as a result of the installation, use, operation, maintenance, repair or replacement of any equipment or facilities installed by Tenant or any party claiming under Tenant on the roof of the Building, including, without limitation, any mechanical systems in any portion of the Building serving such roof equipment and facilities) and the structural elements (excluding exterior glass) of the Building (i.e. load bearing walls, foundation and slab).

11.2.2 During the first seventy-two (72) full calendar months of the Term, the total of Landlord's costs and expenses incurred in maintaining, repairing and replacing the roof and the structural elements of the Building, as required under Section 11.2.1 (altogether, the "**Capital Repair Costs**"), shall be added to the estimated fair market value of the Premises specified under Section 2.4. If Tenant shall not exercise the option to purchase provided under Section 2.4, however, then Landlord shall provide Tenant with an amendment to this Lease setting forth a revised schedule of annual Base Rent, which, beginning with the seventh (7th) Lease Year, shall be determined by increasing the annual Base Rent set forth in Section 3.1 above for each Lease Year thereafter during the Term by such amounts as may be reasonably required, as determined by Landlord in good faith, in order to ensure that Landlord receives the same rate of return on the Capital Repair Costs as Landlord shall receive on its capital investment in Landlord's Work.

11.2.3 Landlord shall in no event be responsible to Tenant for any condition in the Premises or the Building caused by any act or neglect of Tenant or any Tenant Party. Nor shall Landlord be responsible to make any improvements or repairs to the Building other than as expressly provided in this Lease.

11.3 Interruption. Landlord shall have no liability to Tenant, nor shall Tenant's covenants and obligations under this Lease be reduced or abated in any manner whatsoever, by reason of any inconvenience, annoyance, interruption or injury arising from Landlord's making any repairs, replacements or changes which Landlord is required or permitted by this Lease, or required by applicable Legal Requirements or Insurance Requirements, to make in or to the fixtures, equipment or appurtenances of the Building or the Premises. Landlord shall not be responsible in any manner for any suspension, interruption or curtailment of any services or utilities to the Premises, regardless of the cause thereof, and no such suspension, interruption or curtailment shall give rise to any claim for abatement of rent or other compensation to Tenant from Landlord, nor shall Tenant claim any direct, indirect or consequential damages or constructive eviction on account thereof, nor shall this Lease or any obligation of Tenant be affected thereby. Tenant hereby expressly waives any and all rights of rent abatement or other remedies on account of any untenantability and Tenant's sole right and remedy shall be as set forth in Section 21.5 of this Lease.

ARTICLE XII Utilities

12.1 Procurement and Payment of Utilities. Tenant shall be responsible to procure the supply of any and all utilities necessary for Tenant's use and occupation of the Premises and, subject to the performance of Landlord's Work and Landlord's express obligations under ARTICLE XI, Landlord will have absolutely no responsibility or obligation to provide any utility or other service to the Premises. Tenant shall contract for, in its own name, and shall pay all taxes, assessments, charges/deposits, fees and bills for utilities including, without limitation, charges for water, gas, oil, sanitary and storm sewer, electricity, steam, telephone service, trash collection, internet access, cable television or satellite service, and all other utilities that may be charged against any occupant or user of the Improvements during the Term. Tenant shall at all times maintain that amount of heat necessary to ensure against the freezing of water lines. Tenant shall indemnify, defend, save and hold Landlord harmless of, from and against any and all claims, liability or damages, including, but not limited to, claims based upon Tenant's failure to pay any fees or other charges for utility services supplied to the Premises, or damages to the utility systems and the Premises, that may result from Tenant's failure to maintain sufficient heat in the Premises. All charges for utilities or services at the Premises before the Rent Commencement Date and after the expiration or earlier termination of the Lease shall be payable by Landlord.

12.2 Capacity. Tenant shall use best efforts such that its use of electric current shall not exceed the capacity of the then existing feeders to the Building or the risers or wiring installations serving the Premises. Any additional electrical capacity and any risers, feeders or other equipment or service proper or necessary to supply Tenant's electrical requirements, shall, upon written request of Tenant, be installed by Landlord at the expense of Tenant, if in Landlord's reasonable judgment any additional capacity required is then available in the Building, the installations are necessary and will not cause permanent damage or injury to the Building or the Premises, or cause or create a dangerous or hazardous condition, or entail excessive or unreasonable alterations, repairs or expense.

12.3 Interruption. Landlord shall not be liable to Tenant for any loss, damage or expense which Tenant may sustain or incur if (i) the supply of electricity or other service or utility

to the Premises is temporarily interrupted, or (ii) the quantity or character of the electric service is changed or is no longer available or suitable for Tenant's requirements.

ARTICLE XIII Landlord's Services

13.1 Landlord's Obligation. Upon the completion of Landlord's Work, save and except for Landlord's obligations pursuant to Section 11.2, Landlord shall have no obligation to furnish to the Premises any cleaning services, electric energy, water, heat, air-conditioning, ventilation, gas or any other service or utility. Tenant shall obtain heat, air-conditioning, ventilation, gas and any other services or utilities required by Tenant at Tenant's sole cost and expense and in compliance with the applicable provisions of (i) all Legal Requirements and Insurance Requirements, (ii) the rules and regulations of any public utility or other company furnishing such service or utility, and (iii) this Lease.

13.2 Triple Net Lease. It is understood and agreed by the Parties that, except for Landlord's obligations under Section 11.2 of this Lease, this Lease is considered and intended to be a "triple net" lease, providing and yielding to the Landlord payment of the Base Rent and Additional Rent (and to third parties, as applicable) as and when due hereunder absolutely free and net of all expenses, costs and charges allocable to the Term which are in any manner associated with the ownership, operation, use, management, repair, maintenance, and insuring of the Premises, and Tenant is agreeing to be absolutely responsible for all costs, expenses, taxes and charges relating to its use and occupancy of the Premises during the period of its use and occupancy, unless otherwise provided herein.

13.3 Landlord's Rights of Access. After reasonable notice (except in emergencies when no such notice shall be required) which may be by telephone or e-mail, Landlord, its agents and representatives, shall have the right (without any obligation so to do) to enter the Premises (i) to inspect the same, (ii) to exercise such rights as may be permitted hereunder, (iii) to make repairs or alterations to the Premises, (iv) to make repairs or perform other obligations if Tenant fails to do so as required hereunder (but the Landlord shall have no duty whatsoever to make any such inspections, repairs, alterations, additions or improvements except as otherwise expressly provided in this Lease), (v) to deal with emergencies, (vi) to post such notices as may be permitted under Section 9.6, (vii) to exhibit the Premises to prospective tenants during the twenty four (24) months preceding expiration of the term of this Lease and at any reasonable time during the Term to show the Premises to prospective purchasers, lessors and mortgagees, or (viii) for any other purpose as Landlord may deem necessary or desirable; provided, however, Landlord shall use reasonable efforts not to materially interfere with Tenant's use of or access to the Premises and Landlord shall be accompanied by a designated representative of Tenant if and to the extent Tenant makes such representative available during such entry period. Tenant shall not be entitled to any abatement of rent or other charges nor shall Landlord be deemed guilty of an eviction, actual or constructive, or any violation of Tenant's quiet enjoyment of the Premises on account of Landlord's access to the Premises pursuant to the provisions of this Section 13.3 or any other provision of this Lease or applicable Legal Requirements.

ARTICLE XIV Subordination

14.1 Subordination of Lease. Subject to the terms of this ARTICLE XIV, this Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate to any ground lease of the Premises, and all renewals, extensions, modifications and replacements thereof, and to all mortgages, deeds of trust, security interests and similar encumbrances (collectively, a “**Mortgage**”) which may now or hereafter affect the Premises, whether or not such Mortgage shall also cover other lands and/or buildings and/or leases, to each and every advance made or hereafter to be made under such mortgages, and to all renewals, modifications, replacements and extensions of such leases and such Mortgages and all consolidations of such Mortgages. This Section shall be self operative and no further instrument of subordination shall be required. Nonetheless, in the case of all Superior Mortgages entered into by Landlord, Landlord shall use reasonable efforts to cause the holder of any Superior Mortgage to join with Landlord and Tenant in a subordination, non-disturbance and attornment agreement which, for all purposes, shall govern the subordination of this Lease to a Superior Mortgage, and the relative rights and obligations of Tenant and Mortgagee with respect to this Lease, on such Superior Mortgagee’s standard form, incorporating the comments and revisions of Tenant acceptable to Superior Mortgagee in its reasonable discretion, but in no event modifying the financial obligations of Tenant hereunder, the rights granted to Tenant hereunder, or the material terms and conditions of this Lease. In confirmation of such subordination, Tenant shall promptly execute, acknowledge and deliver any instrument that Landlord, the lessor under any such lease or the holder of any such Mortgage or any of their respective successors in interest may reasonably request to evidence such subordination. Any ground lease to which this Lease is, at the time referred to, subject and subordinate is herein called “**Superior Lease**” and the lessor of a Superior Lease or its successor in interest at the time referred to, is herein called “**Superior Lessor**”; and any Mortgage to which this Lease is, at the time referred to, subject and subordinate, is herein called “**Superior Mortgage**” and the holder of a Superior Mortgage, or its successor in interest at the time referred to, is herein called “**Superior Mortgagee**.”

14.2 Attornment. If any Superior Lessor or Superior Mortgagee or the nominee or designee of any Superior Lessor or Superior Mortgagee shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease or deed, or otherwise, then at the request of such party so succeeding to Landlord’s rights (herein called “**Successor Landlord**”), Tenant shall attorn to and recognize such Successor Landlord as Tenant’s landlord under this Lease and shall promptly execute and deliver any instrument that such Successor Landlord may reasonably request to evidence such attornment. Upon such attornment, this Lease shall continue in full force and effect as a direct lease between the Successor Landlord and Tenant upon all of the terms, conditions and covenants as are set forth in this Lease, except that the Successor Landlord (unless formerly the landlord under this Lease or its nominee or designee) shall not be (i) liable in any way to Tenant for any act or omission, neglect or default on the part of Landlord under this Lease or for any claim against Landlord arising before the date on which the successor succeeded to Landlord’s interest, (ii) responsible for any monies owing by or on deposit with Landlord to the credit of Tenant, (iii) subject to any counterclaim, offset or setoff which theretofore accrued to Tenant against Landlord, excluding express offset rights of Tenant set forth in this Lease, (iv) bound by any modification of this Lease subsequent to such Superior Lease or Mortgage, or by any previous prepayment of Base Rent for more than one (1) month, which was not approved in writing by the Superior Lessor or the Superior Mortgagee thereto, (v) liable to the Tenant beyond the Successor Landlord’s interest in

the Premises and the rents, income, receipts, revenues, issues and profits issuing from such Premises, (vi) responsible for the performance of any work to be done by the Landlord under this Lease to render the Premises ready for occupancy by the Tenant, (vii) bound by any amendment or modification of such Lease made without its written consent, or (viii) required to remove any person occupying the Premises or any part thereof, except if such person claims by, through or under the Successor Landlord.

14.3 Notice to Mortgagee. After receiving notice from Landlord of any holder of a Mortgage which includes the Premises, no notice from Tenant to Landlord alleging any default by Landlord shall be effective unless and until a copy of the same is given to such holder (provided Tenant shall have been furnished with the name and address of such holder), and the curing of any of Landlord's defaults by such holder shall be treated as performance by Landlord.

ARTICLE XV Quiet Enjoyment

Subject to the terms and conditions of this Lease and subject to the rights of any Superior Mortgagee or Superior Lessor, on payment of the Base Rent and other Additional Rent and observing, keeping and performing all of the other terms and conditions of this Lease on Tenant's part to be observed, kept and performed, Tenant shall lawfully, peaceably and quietly enjoy the Premises during the term hereof, without hindrance or ejection by any persons lawfully claiming under Landlord to have title to the Premises superior to Tenant. The foregoing covenant of quiet enjoyment is in lieu of any other covenant, express or implied.

ARTICLE XVI Assignment, Subletting and Mortgaging

16.1 Restriction on Transfer. Except as otherwise permitted in this ARTICLE XVI, Tenant covenants and agrees that neither this Lease nor the term and estate hereby granted, nor any interest herein or therein, may be assigned, mortgaged, pledged, encumbered or otherwise transferred, whether voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise, and that neither the Premises nor any part thereof may be encumbered in any manner by reason of any act or omission on the part of Tenant, or used or occupied or permitted to be used or occupied, by anyone other than Tenant, or for any use or purpose other than the Permitted Use, or be sublet (which term, without limitation, shall include granting of concessions, licenses and the like) in whole or in part, or be offered or advertised for assignment or subletting by Tenant or any person acting on behalf of Tenant, without, in each case, the prior written consent of Landlord, which consent, except as otherwise expressly provided in this Lease, may be withheld by Landlord in its sole and absolute discretion. Without limitation, the provisions of this Section 16.1 shall apply to a transfer (by one or more transfers) of a controlling portion of or interest in the stock or partnership or membership interests or other evidences of equity interests of Tenant as if such transfer were an assignment of this Lease. If this Lease is assigned, or if the Premises or any part thereof is sublet or occupied by anyone other than Tenant, whether or not in violation of the terms and conditions of the Lease, Landlord may, at any time and from time to time, collect rent and other charges from the assignee, subtenant or occupant, and apply the net amount collected to the rent and other charges herein reserved, but no such assignment, subletting, occupancy, collection or modification of any provisions of this Lease shall be deemed a waiver of the provisions of this ARTICLE XVI, or the acceptance of the assignee, subtenant or occupant as

a tenant or a release of Tenant from the further performance of covenants on the part of Tenant to be performed hereunder. Any consent by Landlord to a particular assignment, subletting or occupancy or other act for which Landlord's consent is required under this Section 16.1 shall not in any way diminish the prohibition stated in this Section 16.1 as to any further such assignment, subletting or occupancy or other act or the continuing liability of the original named Tenant. No assignment or subletting hereunder shall relieve Tenant from its obligations hereunder, and Tenant shall remain fully and primarily liable therefor.

16.1.1 If Tenant shall desire to sublet all or any portion of the Premises or assign this Lease, Tenant shall submit to Landlord a written request for Landlord's consent to such sublet or assignment, which request (the "**Request**") shall contain or be accompanied by the following information:

- (a) The name and address of proposed subtenant or assignee;
- (b) A duplicate original or photocopy of the sublease agreement or assignment and assumption agreement;
- (c) The nature and character of the business of the proposed subtenant or assignee and its proposed use of the Premises;
- (d) Banking, financial and other credit information with respect to the proposed subtenant or assignee reasonably sufficient in the judgment of Landlord to enable Landlord to determine the financial responsibility of the proposed subtenant or assignee; and
- (e) A certification from the Tenant and the proposed assignee or subtenant that the proposed assignee or subtenant is a Non-Profit Company.

16.1.2 The form of the proposed sublease or instrument of assignment (i) shall be in form reasonably satisfactory to Landlord, and, without limitation, (A) shall not provide for a rental or other payment for the, occupancy or utilization of the space demised thereby based in whole or in part on the income or profits derived by any person from the property so leased, used, occupied or utilized other than an amount based on a fixed percentage or percentages of gross receipts or sales, and (B) shall provide that no person having an interest in the possession, use, occupancy or utilization of the space demised thereby shall enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of such space which provides for a rental or other payment for such use, occupancy or utilization based in whole or in part on the income or profits derived by any person from the property so leased, used, occupies or utilized other than an amount based on a fixed percentage or percentages of gross receipts or sales, and that any such purported lease, sublease, concession or other agreements shall be absolutely void and ineffective *ab initio*, and (ii) shall comply with the applicable provisions of this ARTICLE XVI;

16.1.3 Tenant shall reimburse Landlord on demand (and in no event later than the effective date of any assignment or sublease) for any reasonable costs incurred by Landlord in connection with any proposed assignment or subletting including, without limitation, the reasonable costs of making investigations as to the acceptability of the proposed assignee or subtenant and reasonable costs incurred in connection with the granting of the requested consent, including, without limitation, any legal, appraisal, recording, title, document preparation or

closing fees and any mortgage recording taxes. Notwithstanding the provisions of the above, Tenant shall remain liable to Landlord for any such costs that may be incurred by Landlord after the effective date of any assignment consented to in accordance with the terms of this paragraph.

16.1.4 In no event shall any assignment or subletting to which Landlord may have or may not have consented, release Tenant or any guarantor from its obligations under this Lease, or constitute consent to any further assignment or subletting. Anything contained in this Lease to the contrary notwithstanding, Tenant shall not (i) sublet the Premises or assign this Lease on any basis such that the rental or other amounts to be paid by the sublessee or assignee thereunder would be based, in whole or in part, on the income or profits derived by any person from the Premises or by the business activities of the sublessee or assignee; (ii) sublet the Premises or assign this Lease to any person, directly or indirectly, in which Landlord owns (by applying constructive ownership rules set forth in Section 856(d)(5) of the Internal Revenue Code) a ten percent (10%) or greater interest as defined by Section 856(d)(2)(B) of the Internal Revenue Code; or (iii) sublet the Premises or assign this Lease in any other manner or otherwise derive any income which could cause any portion of the amounts received by Landlord pursuant to this Lease or any sublease to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Internal Revenue Code, or which could cause any other income received by Landlord to fail to qualify as income described in Section 856(c) (2) of the Internal Revenue Code. The requirements of this Section 16.1.4 shall likewise apply to any further subleasing by any subtenant.

16.1.5 If Landlord shall consent to any proposed assignment or subletting, or shall decline to give its consent to any proposed assignment or subletting, Tenant shall indemnify, defend and hold harmless Landlord against and from any and all loss, liability, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) resulting from any claims that may be made against Landlord by the proposed assignee or subtenant or by any brokers or other persons claiming a commission or similar compensation in connection with the proposed assignment or subletting.

16.1.6 Tenant shall pay to Landlord an amount equal to fifty percent (50%) of any net profit derived from any assignment of this Lease or subletting of the Premises to any person or entity that is not an Affiliate of Tenant (as defined below). Net profit shall mean any consideration paid by any assignee in connection with its acquisition of this Lease or the rent by any subtenant in connection with its subletting of the Premises and, in the event of a subletting, the amount of minimum rent and additional rent paid by any subtenant over the amount of minimum rent and additional rent paid by Tenant under this Lease, less only any Transfer Expenses (hereinafter defined). Such net profit shall be calculated on an annualized basis but shall be paid to Landlord, as Additional Rent, within ten (10) Business Days after receipt thereof by Tenant. "**Transfer Expenses**" shall mean (i) the reasonable out-of-pocket costs and expenses of Tenant in making such sublease or assignment, as the case may be, such as brokers' fees and commissions, attorneys' fees and advertising fees, (ii) any fees paid to Landlord pursuant to the terms of this Lease, and (iii) the cost of improvements or alterations made by Tenant expressly for the purpose of preparing the Premises for such subtenant or assignee or improvement allowances. In determining Transfer Expenses, the costs shall be amortized on a straight-line basis over the term of the sublease, or the remainder of the term of this Lease.

16.1.7 Notwithstanding anything to the contrary contained in this Paragraph, Landlord at its option shall have the right to cancel this Lease (with the same force and effect as if

the entire Term had expired by lapse of time) by written notice given to Tenant at any time within twenty (20) Business Days of Tenant's Request with respect to an assignment of this Lease or subletting of all or substantially all of the Premises, and if Landlord elects to cancel this Lease, the Term shall fully cease and expire on a date selected by Landlord in its notice of cancellation (which date shall not be less than ten (10) nor more than forty (40) Business Days after the date of such cancellation notice).

16.1.8 In no event shall Tenant be entitled to make, nor shall Tenant make any claim, and Tenant hereby waives any claim, for money damages, nor shall Tenant claim any money damages by way of set-off, counterclaim or defense, based upon any claim or assertion by Tenant that Landlord has unreasonably withheld or unreasonably delayed any consent or approval to a proposed assignment or subletting as provided for above, but Tenant's sole remedy shall be an action or proceeding to enforce any such provisions, or for specific performance, injunction or declaratory judgment.

16.2 Permitted Licensing. Provided that no Event of Default under this Lease shall exist at any time during the pendency of such licensing, Tenant may during the first three (3) Lease Years only—notwithstanding the provisions of the preceding Section 16.1, and at all times subject to all of the other terms and conditions of the Lease—grant from time to time, in writing, certain personal and revocable licenses to use up to three (3) classrooms of the Premises for Head Start-sponsored (or similar) early childhood programming and parent involvement services serving low-income children and their families. No licensed use permitted under this Section 16.2 shall interfere in any manner with the Permitted Use. Neither shall any licensed use extend for a period of more than six (6) hours in any twenty-four (24) hour period, nor rise to any level of right, intensity, duration, or repetition that may be deemed to constitute a conveyance of a possessory interest in land. All licensees of Tenant shall assume, by a written instrument reasonably satisfactory to Landlord, the due performance of all of the pertinent covenants and obligations under this Lease. Each license permitted under this Section 16.2 shall contain provisions to the effect that such license is only for actual use of the licensee. Notwithstanding the terms of such written instrument(s), Tenant shall remain fully liable for all performance under the Lease.

ARTICLE XVII

Signage

Tenant may erect interior signs on the Premises without Landlord's prior written consent provided such signs comply with applicable Legal Requirements and Insurance Requirements. Landlord shall, as part of Landlord's Work, place Tenant's name on the Building, in a manner reasonably acceptable to Tenant. Tenant shall not place any other signs on the Land or Building visible from the exterior of the Building without Tenant obtaining Landlord's consent, which consent shall not be unreasonably withheld, and the consent of any applicable governmental or municipal authorities. Such signs shall conform to the reasonable sign standards for the Premises adopted by Landlord and all Legal Requirements and, before installation of Tenant's signs, Tenant must submit to Landlord a plan or sketch in reasonable detail (showing, without limitation, size, color, location, materials and method of affixation) of the sign.

ARTICLE XVIII
Damage or Destruction

18.1 Fire or Other Damage. Tenant must give Landlord immediate notice in case the Premises are damaged by fire or other casualty. If the Premises are Substantially Damaged by fire or other casualty (the term “**Substantially Damaged**” meaning damage of such a character that (i) the Premises are rendered unusable for the Permitted Use and (ii) the same cannot, in the ordinary course, reasonably be expected to be repaired within one hundred eighty (180) calendar days from the time that repair work would commence, as determined by a contractor mutually satisfactory to the Parties) and this Lease is not terminated pursuant to any of the provisions of this Section 18.1, then Landlord shall use reasonable efforts to restore the Premises (excluding Tenant's Removable Property and any Alterations performed by or on behalf of Tenant) within a reasonable period of time to proper condition for Tenant's use and occupancy, and Rent shall be abated in accordance with Section 18.3, provided that Landlord's obligation shall be limited to the amount of insurance proceeds available therefor, and Landlord shall not be obligated to commence restoration until Landlord has received the insurance proceeds and Tenant has paid the applicable deductible to Landlord.

18.1.1 If the Premises are Substantially Damaged by fire or other casualty, then Landlord shall have the right to terminate this Lease by giving notice of Landlord's election to do so within ninety (90) days after the occurrence of such casualty. If Landlord's reasonable estimation of the length of time necessary to repair or restore the Premises after such fire or other damage exceeds eighteen (18) months from the date of the casualty and Tenant is unable to secure alternative space for a period in excess of eighteen (18) months, Tenant may terminate this Lease by giving notice to Landlord of Tenant's election to do so within sixty (60) days after Landlord's notice. Such right of termination shall be Tenant's sole and exclusive remedy at law or in equity for Landlord's failure so to complete such restoration, and time shall be of the essence with respect thereto.

18.1.2 If this Lease is terminated pursuant to Section 18.1.1, the Term shall be over on the specified cancellation date with the same force and effect as if such date were the date originally established as the expiration date hereof. Tenant shall have no obligation to pay rent after the termination date of the Lease. Tenant will look only to its own insurance as required by this Lease, whether or not obtained, to recover any damages or losses suffered as a result of the damage including but not limited to early termination of the Lease, loss of business, damage to property, trade fixtures, etc. Tenant releases Landlord from liability and waives right of recovery against Landlord for all losses or damages resulting from the casualty to the extent that it would have been compensated by insurance required to be carried by Tenant under this Lease. Tenant shall retain the proceeds of all insurance maintained by Tenant and allocable to Tenant's Removable Property, without claim by Landlord.

18.1.3 If this Lease is not terminated pursuant to Section 18.1.1, the proceeds of insurance carried pursuant to ARTICLE VIII (“**Insurance Proceeds**”) shall be used to pay for the repair and restoration work performed pursuant to the terms hereof. If the total cost of restoring the Premises, as provided in this Article, is less than the amount of the Insurance Proceeds applicable to such restoration work, the balance of the Insurance Proceeds shall be paid to the party responsible for maintaining such insurance upon delivery of final waivers of lien and such other documentation as may be reasonably requested by the other party in order to confirm that such restoration work has been completed in substantial accordance with the terms hereof. If this

Lease is terminated by either Party pursuant to the terms and provisions of this Article, all Rent shall be prorated to the date of such damage or destruction and all Insurance Proceeds shall be retained (i) by Tenant if the policy yielding such Insurance Proceeds was obtained pursuant to Section 8.2 of this Lease and (ii) by Landlord if the policy yielding such Insurance Proceeds was obtained pursuant to Section 8.3 of this Lease. If the total cost of restoring the Premises, as provided in this Article, shall exceed the amount of Insurance Proceeds available for such restoration (as determined by a contractor mutually satisfactory to the Parties), then Tenant may (but shall not be required to) provide its own funds to supplement such Insurance Proceeds, as necessary to restore the Premises. If Tenant shall not provide such funds, however, within twenty (20) Business Days after the pertinent determination by the contractor selected by the Parties, then Landlord may elect to terminate this Lease by giving notice of such election at any time within forty (40) Business Days thereafter, which termination shall be effective as of the date of such notice.

18.2 Partial Damage. If the Premises are damaged by fire or other casualty under this ARTICLE XVIII but are not Substantially Damaged, Landlord shall thereafter promptly restore the Premises (excluding Tenant's Removable Property and any Alterations performed by or on behalf of Tenant) to substantially the condition they were in immediately prior to such casualty and Base Rent shall be equitably abated for the period during which Landlord shall be restoring such Premises; provided, however, that Landlord's obligation shall be limited to the amount of Insurance Proceeds available therefor, and that Landlord shall not be obligated to commence restoration until Landlord has received the Insurance Proceeds and Tenant has paid the applicable deductible to Landlord. After any such damage or destruction, Tenant shall cooperate with Landlord by removing from the Premises in a reasonable time all of Tenant's Removable Property. Notwithstanding anything to the contrary contained in this Lease, if Landlord does not commence the repair or restoration of such damage within the required time, or in the event that such repairs or restorations are not completed within two hundred (200) Business Days after the date of the casualty, Tenant shall have the right to terminate this Lease upon written notice to Landlord.

18.3 Damage Due to Tenant's Acts or Omissions. If the damage or destruction to the Premises is a direct result of Tenant's negligent or intentional actions or omissions, then Tenant shall be responsible in full for payment of all Base Rent and Additional Rent unabated. In all other cases, if after damage or destruction to the Premises Tenant is unable to continue to use the Premises for the Permitted Use or if Tenant is only able to use a portion of the Premises for the Permitted Use, then Base Rent and Additional Rent shall be abated or a pro rata portion of the Base Rent and Additional Rent shall be abated, as applicable, from the date of such damage or destruction and shall resume five (5) Business Days after written notice from Landlord that Landlord's restoration is complete. The end date of the term of this Lease shall not change.

18.4 Tolling. Notwithstanding anything to the contrary contained in this Lease, the Parties' respective rights to terminate this Lease pursuant to Section 18.1 of this ARTICLE XVIII shall be tolled during the period between Tenant's exercise of its option to purchase the Premises pursuant to the Option Agreement and the Closing Date (as defined in the Option Agreement).

18.5 Restoration Near End of Term. If the Premises are damaged or destroyed to such an extent as to render them untenable within twenty-four (24) months of the expiration of the Term or of any Renewal Period hereof, then, at Tenant's or Landlord's option and upon notice to the other given within twenty (20) Business Days after the date of the casualty, this Lease shall

terminate as of the date of such damage or destruction. However, if Tenant notifies Landlord that it elects to extend the Term for the next Renewal Period, such termination shall be deemed to be null and void, and the provisions of the remainder of this ARTICLE XVIII shall apply.

ARTICLE XIX Eminent Domain

19.1 Condemnation. Except as provided in Section 19.2, if the entire Premises are taken or condemned by a legal authority, then the Term and Tenant's rights shall end as of the date the authority takes title to the Premises. If the Lease is terminated, Tenant must deliver the Premises to Landlord on the termination date together with all Base Rent and Additional Rent then due.

19.2 Partial Condemnation/Continuation of Lease. If less than the entire Premises is taken or condemned by a legal authority, the obligations of the Parties under this Lease shall be unaffected unless the effect of the taking or condemnation is to render the Premises unsuitable for the Permitted Use. From and after the date of delivery of possession to the condemning authority, a just and proportionate part of the Base Rent, according to the extent and nature of such taking, shall abate for the remainder of the term of this Lease. The Premises shall be deemed "unsuitable for the Permitted Use" if the state or condition of the Premises has been so affected by the taking or condemnation that, in the good faith judgment of Tenant, reasonably exercised, the Premises cannot be operated on a commercially practicable basis as a charter school. If a taking or condemnation renders the Premises unsuitable for the Permitted Use, Tenant may terminate the Lease as of the date of the taking, or as of the date of loss of occupancy of the condemned portion (if the date for vacating the Premises is different from the date of taking), or within twenty (20) Business Days following either the date of taking or the date of loss of occupancy of the condemned portion. If all or any part of the Premises is temporarily condemned for a period of six (6) months or less, the Parties shall be relieved from their obligations under the Lease only to the extent performance is rendered impracticable or impossible and Tenant shall remain obligated to pay Rent and other charges due under the Lease to Landlord for the period of such temporary taking. In the event of such a temporary taking, the entire amount of compensation payable for the temporary taking, whether paid by the condemning authority as damages, rent or otherwise, shall be payable to Tenant, subject to Tenant having paid to Landlord all Rent and other charges payable under the Lease for the period of such temporary taking.

19.3 Condemnation Award. In the event of a taking or condemnation which results in a termination of this Lease, if there is a single award, the condemnation proceeds, after deduction of the reasonable costs, expenses (including costs of experts) and attorneys' fees incurred in collection thereof ("**Net Award**") shall be divided between Landlord and Tenant as follows: (i) first, Landlord shall be paid out of the Net Award an amount equal to the value of the Premises (including Land and Building(s)) so taken, but subject to any lien, covenant, declaration, easement, cross-easement, operating agreement, right of way, encumbrance, restriction or similar right or title encumbrance with respect to the Premises, as may then be in full force and effect, and subject to this Lease including all then unexercised Renewal Periods; and (ii) second, Tenant shall be paid out of the balance of the Net Award an amount equal to the lesser of (A) the then remaining balance of the Net Award, or (B) the unamortized cost of Permitted Alterations constructed by Tenant; and (iii) the balance of the Net Award, if any, remaining after payments described above have been made shall be paid equally to Landlord and Tenant. In addition,

Tenant shall always be entitled to claim and receive an award of damages for its losses including any separate damages which are considered "special damages" to Tenant, it being understood and agreed that the term "special damages" as used herein shall include any damages or award (a) payable for Tenant's Removable Property installed by Tenant or anybody claiming under Tenant, at its or their own cost and expense, (b) representing compensation for loss of, or injury to, the business carried on upon the Premises, (c) for Tenant's relocation expenses, (d) for Tenant's damages for the loss of its leasehold estate suffered by it by reason of such taking or condemnation, and (e) any other damages compensable separately to Tenant; provided, however, that no such award to Tenant of special damages shall reduce the amount of the Net Award. In the event of a taking or condemnation of all or part of the Premises under circumstances where there will be a shared, unified award, Landlord and Tenant shall cooperate and join together in making all claims for damages, bringing any suit or action, appealing from any award or judgment, and settling and compromising all such claims, suits or actions, except for those claims which are prosecuted as part of an action for a separate award (*e.g.* a tenant's claim for "special damages") and, except for those claims for separate awards, neither party shall make or enter into such settlement or compromise without first obtaining the prior consent of the other thereto in writing, which consent shall not be unreasonably withheld, delayed or conditioned, and each party shall cooperate with the other in the prosecution of such claims, suits or actions, giving each other reasonable notice of the time and place of any negotiations for settlement or compromise. No pleading shall be filed in any suit or action without the consent of the other in writing, which consent shall not be unreasonably withheld, delayed or conditioned.

ARTICLE XX

Surrender

20.1 Condition of Premises. On the Expiration Date or upon any earlier termination of this Lease, or upon any reentry by Landlord upon the Premises pursuant to Section 21.2.2, Tenant shall quit and surrender the Premises, together with all Alterations which may have been made or installed in, on or to the Premises before or during the Term of this Lease, to Landlord free and clear of Tenant's Removable Property, all occupants, subtenants and licensees, and "broom-clean" and in good order, condition and repair and as Tenant is obligated to maintain the same under this Lease, excepting only (i) ordinary wear and use (subject to Tenant's compliance with Section 12.1) and (ii) those instances of damage by fire or other casualty for which, under other provisions of this Lease, Tenant has no responsibility of repair or restoration. Tenant shall remove all of Tenant's Removable Property and, to the extent specified by Landlord, all Alterations made by or on behalf of Tenant; and shall repair any damages to the Premises or the Building caused by such removal.

20.2 Acceptance by Landlord. No act or thing done by Landlord or its agents shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by Landlord.

ARTICLE XXI

Default By Tenant; Landlord Remedies; Default by Landlord

21.1 Default by Tenant. The following occurrences are each an "Event of Default":

(a) Tenant fails to pay when due any installment of Base Rent or payment of Additional Rent to Landlord and such failure continues for five (5) Business Days after Tenant's receipt of written notice or demand from Landlord;

(b) Tenant fails to pay when due any Additional Rent to a third party and such failure continues for five (5) Business Days after Tenant's receipt of written notice or demand from such third party;

(c) This Lease or Tenant's interest herein is taken upon execution or by other process of law directed against Tenant, or is taken upon or subjected to any attachments by any creditor of Tenant or claimant against Tenant and the attachment is not discharged within ten (10) Business Days after its levy;

(d) Tenant files a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or is dissolved, or makes an assignment for the benefit of creditors;

(e) Involuntary proceedings under any bankruptcy laws or insolvency act or for the dissolution of Tenant are instituted against Tenant or a receiver or trustee is appointed for all or substantially all of Tenant's Removable Property and assets and the proceeding is not dismissed or the receivership or trusteeship is not vacated within thirty (30) Business Days after institution or appointment;

(f) During any of the Lease Years specified in Section 7.5.3(b) of this Lease, Tenant fails to perform or comply with the agreements, terms, covenants and conditions set forth in such Section 7.5.3(b), and such failure continues until the first student attendance date of the Lease Year next beginning after Landlord delivers notice of such failure to Tenant;

(g) Tenant fails to perform or comply with any of the other agreements, terms, covenants, or conditions of this Lease and such failure continues for a period of twenty (20) Business Days after notice of such failure from Landlord to Tenant, or if such failure is of such a nature that Tenant cannot reasonably remedy the same within such twenty (20) Business Day period, Tenant shall fail to commence promptly to remedy the same and to diligently and continuously prosecute such remedy to completion;

(h) Tenant defaults under Tenant's Charter School contract, or Tenant's Charter School Contract shall be revoked or not renewed by the Authorizer or by any other entity that shall have the authority to revoke, terminate or renew such Charter School Contract, or such Charter School Contract shall otherwise cease to be in full force and effect; or

(i) Tenant fails to continuously occupy the Premises for the Permitted Use, and such vacancy continues for three (3) or more months (excluding, however, school vacations or breaks, or vacancy due to fire or other casualty).

21.2 Landlord's Remedies. If any one or more Events of Default set forth above occur, then Landlord may, at Landlord's election, give notice to Tenant of Landlord's intention to take the following actions:

21.2.1 To terminate this Lease on a date not less than ten (10) Business Days after the giving of such notice or any later date specified in the notice, and, on such date specified in the notice, Tenant's right to possession of the Premises shall cease and the Lease shall be terminated, except as to Tenant's liability set forth in this Section 21.2.1, as if the date fixed in the notice were the end of the term of this Lease. If the Lease is terminated pursuant to the provisions of this Section 21.2.1, Tenant shall be liable to Landlord for and shall pay to Landlord on demand damages in an amount equal to the Base Rent and Additional Rent that would have been owing by Tenant under this Lease for the balance of the Term if this Lease had not been terminated, less the net proceeds, if any, of reletting of the Premises by Landlord subsequent to the termination, after deducting all Landlord's expenses in connection with reletting, including without limitation the expenses set forth below; or

21.2.2 To re-enter and take possession of the Premises or any part of the Premises, repossess the Premises as of the Landlord's former estate; expel Tenant and those claiming through or under Tenant from the Premises; and remove the effects of both or either, without being deemed guilty of any manner or trespass and without prejudice to any remedies for arrears of rent or preceding breach of covenants or conditions. If Landlord elects to re-enter as provided in this Section 21.2.2, or if Landlord takes possession of the Premises pursuant to legal proceedings or pursuant to any notice provided by law, Landlord may, from time to time without terminating this Lease, relet the Premises or any part thereof, in Landlord's or Tenant's name but for the account of Tenant, for the term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term of this Lease) and on such terms and conditions (which may include concessions of free rent and the alteration and repair of the Premises) as Landlord, in Landlord's discretion, may determine. Landlord may collect and receive the rents for the Premises. Landlord agrees to exercise reasonable efforts to re-rent the Premises to mitigate Landlord's damages; provided, however, that Landlord shall not be responsible or liable for any failure to relet the Premises, or any part of the Premises, or for any failure to collect any rent due upon the reletting. No re-entry or taking possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice or the specific intention is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, to exercise Landlord's right to terminate this Lease by giving Tenant written notice and in that event the Lease shall terminate as specified in the notice. If Landlord elects to take possession of the Premises according to this subparagraph without terminating the Lease, Tenant shall pay Landlord the rent and other sums which would be payable under this Lease as and when due through only the end of the current Term if the repossession had not occurred, less the net proceeds, if any, of any reletting of the Premises after deducting all of Landlord's expenses incurred in connection with the reletting, including without limitation all reasonable repossession costs, brokerage commissions, legal expenses, attorney's fees, expenses of employees, alteration, remodeling and repair costs and expenses of preparation for the reletting. If, in connection with any reletting, the new lease term extends beyond the existing Term, a fair apportionment of the rent received from the reletting and the expenses incurred in connection with the reletting shall be made in determining the net proceeds received from reletting. In addition, in determining the net proceeds from reletting, any rent concessions shall be apportioned over the term of the new lease.

21.3 Termination Upon Bankruptcy. If any Event of Default set forth in Sections 21.1(d) or 21.1(e) above occurs, then, anything elsewhere in this Lease to the contrary notwithstanding, this Lease may be canceled by Landlord by the sending of a written notice to Tenant within a reasonable time after the happening of such event. Neither Tenant nor any person

claiming through or under Tenant, or by reason of any statute or order of court, shall thereafter be entitled to possession of the Premises but shall forthwith quit and surrender the Premises. In the event of the termination of this Lease pursuant to this Section 21.3, Landlord shall forthwith, notwithstanding any other provisions of this Lease to the contrary, be entitled to recover from Tenant as and for liquidated damages in lieu of damages under Section 21.2, an amount equal to the difference between the Base Rent and Additional Rent reserved hereunder for the unexpired portion of the term demised and the fair reasonable rental value of the Premises for the same period. In the computation of such damages the difference between any installment rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the Premises for the period of which such installment was payable shall be discounted to the date of termination at the rate of 4% per annum. If the Premises or any part thereof be relet by Landlord for the unexpired term of this Lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of Base Rent and Additional Rent reserved upon such reletting shall be deemed to be the fair and reasonable rental value for the part or the whole of the Premises so relet during the term of the reletting. Nothing herein shall limit or prejudice the right of Landlord to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to or less than the amount of the difference referred to above.

21.4 Remedies Cumulative; Enforcement Costs. No remedy in this Lease or otherwise conferred upon or reserved to Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder, now or hereafter existing at law or in equity or by statute and every power and remedy given by this Lease to Landlord may be exercised from time to time and as often as occasion may arise or as may be deemed expedient. No delay or omission of Landlord to exercise any right, remedy or power arising from any default shall impair any such right, remedy or power or shall be construed to be a waiver of any such default. Tenant shall pay all reasonable costs and expenses (including, without limitation, attorneys' fees and expenses at both the trial and appellate levels) incurred by or on behalf of Landlord in connection with the successful enforcement of any rights of Landlord or obligations of Tenant hereunder, whether or not occasioned by an Event of Default.

21.5 Default by Landlord. Landlord shall in no event be in default under this Lease unless Landlord shall neglect or fail to perform any of its obligations hereunder and shall fail to remedy the same within twenty (20) Business Days after notice to Landlord specifying such neglect or failure, or if such failure is of such a nature that Landlord cannot reasonably remedy the same within such twenty (20) Business Day period, Landlord shall fail to commence promptly (and in any event within such twenty (20) Business Day period) to remedy the same and to prosecute such remedy to completion with diligence and continuity. Tenant expressly and knowingly waives the right to terminate this Lease on account of Landlord's default under this Lease. Except as expressly set forth below, Tenant's sole remedy on Landlord's default is an action for damages or injunctive or declaratory relief. If Landlord is in default of its obligations under Section 11.2 of this Lease and such default materially and adversely affects Tenant's use and enjoyment of the Premises, Tenant may notify Landlord in writing (with a simultaneous copy to Landlord's lender in order to be effective) of Tenant's intent to undertake such obligations, which notice shall contain the following bold print, all capital letters caption, "**FAILURE TO ACT WITHIN 10 BUSINESS DAYS MAY ENTITLE TENANT TO UNDERTAKE REPAIRS.**" So long as no Event of Default exists, and provided that Landlord does not dispute

that a default has occurred under Section 11.2, if Landlord does not commence to cure such default and diligently proceed to cure the same within ten (10) Business Days after Landlord receives the above notice, Tenant may undertake such obligations to the extent necessary to cure Landlord's default; provided, however, that (a) Tenant must perform such work in accordance with the requirements imposed upon Landlord in performing such work, (b) if the work affects the Building Systems, Tenant must employ the contractors utilized by Landlord for such work, and, (c) the work shall be subject to all of the terms and provisions of Section 6.3, and (d) Tenant's indemnification obligations under this Lease shall include the exercise of Tenant's rights under this Section 21.5. Except to the extent that such costs would constitute an expense payable by Tenant hereunder, if Tenant otherwise complies with this Section 21.5, Landlord shall reimburse Tenant its reasonable, out-of-pocket costs incurred in performing such obligations within twenty (20) Business Days after Landlord's receipt of substantiating invoices and unconditional lien releases from all vendors and mechanics involved in performing such obligations; provided, however, that if Landlord fails to reimburse Tenant in accordance with the foregoing and does not dispute the amount claimed by Tenant or the adequacy of the documentation provided by Tenant within ten (10) Business Days of Landlord's receipt of the foregoing information from Tenant (provided, however, that Landlord shall act reasonably in disputing the foregoing and any amount not reasonably disputed shall subject to the following offset), Tenant may offset the amount of such reimbursement against monthly installments of Base Rent until Tenant recovers such costs; provided, however, that no such offset may exceed twenty percent (20%) of any monthly installment of Base Rent. If Tenant exercises any rights under this Section 21.5 and any condition to the exercise of such rights is not satisfied, the same shall constitute an Event of Default. This Lease shall be construed as though Landlord's covenants contained herein are independent and not dependent, and Tenant hereby waives the benefit of any Law or statute to the contrary.

ARTICLE XXII

No Waivers

22.1 Failure to Require Strict Performance. The failure of either Party to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Lease or of the right to exercise such election, and such right to insist upon strict performance shall continue and remain in full force and effect with respect to any subsequent breach, act or omission. The receipt by Landlord of Base Rent or partial payments thereof or Additional Rent or partial payments thereof with knowledge of breach by Tenant of any obligation of this Lease shall not be deemed a waiver of such breach. Failure on the part of Landlord or Tenant to complain of any action or non action on the part of the other, no matter how long the same may continue, shall never be a waiver by Tenant or Landlord, respectively, of any of the other's rights hereunder. The consent or approval of Landlord or Tenant to or of any action by the other requiring such consent or approval shall not be construed to waive or render unnecessary Landlord's or Tenant's consent or approval to or of any subsequent similar act by the other.

22.2 Partial Payments. No payment by Tenant, or acceptance by Landlord, of a lesser amount than shall be due from Tenant to Landlord shall be treated otherwise than as a payment on account of the earliest installment of any payment due from Tenant under the provisions hereof. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check, that such lesser amount is payment in full,

shall be given no effect, and Landlord may accept such check without prejudice to any other rights or remedies which Landlord may have against Tenant.

ARTICLE XXIII **Curing Tenant's Defaults**

23.1 Landlord's Right to Perform. If Tenant shall default in the performance of any of Tenant's obligations under this Lease, Landlord, without thereby waiving such default, may (but shall not be obligated to) perform the same for the account and at the expense of Tenant, without notice in a case of emergency, and in any other case only if such default continues after the expiration of any applicable grace periods.

23.2 Landlord's Costs. Bills for any reasonable, out-of-pocket expenses incurred by Landlord in connection with any such performance by it for the account of Tenant, and bills for all costs, expenses and disbursements of every kind and nature whatsoever, including reasonable counsel fees and disbursements, involved in collecting or endeavoring to collect the Base Rent or Additional Rent or any part thereof or enforcing or endeavoring to enforce any rights against Tenant or Tenant's obligations hereunder, under or in connection with this Lease or pursuant to law, including any such cost, expense and disbursement involved in instituting and prosecuting summary proceedings or in recovering possession of the Premises after default by Tenant or upon the expiration or sooner termination of this Lease, and interest on all sums advanced by Landlord (at the Interest Rate or the maximum rate permitted by law, whichever is less) may be sent by Landlord to Tenant monthly, or immediately, at its option, and such amounts shall be due and payable as Additional Rent in accordance with the terms of such bills.

ARTICLE XXIV **Brokerage**

Landlord and Tenant each represents and acknowledges to the other that it has not dealt with any real estate broker in consummating this Lease, and that no conversation or prior negotiations were had with any broker concerning the renting of the Premises. Landlord and Tenant each hereby holds the other harmless against any claim for brokerage commission(s) arising out of any dealings, conversations or negotiations had by either with any broker claiming to have dealt the indemnifying Party.

ARTICLE XXV **Notices**

Any notices under this Lease must be in writing and must be sent by (i) personal delivery, (ii) by United States registered or certified mail (postage prepaid), (iii) by electronic mail or facsimile (with a copy sent the same day by one of the other prescribed methods of delivery) or (iv) by an independent overnight courier service, addressed to the addresses specified below or at such other place as a Party may designate to the other Parties by written notice given in accordance with this Section. Notices given by registered or certified mail are deemed effective three (3) Business Days after the Party sending the notice deposits the notice with the United States Post Office. Notices given by electronic mail or facsimile are deemed effective on the Business Day transmitted (or, if transmitted on a day that is not a Business Day, then on the next occurring Business Day). Notices delivered by overnight courier are deemed effective on the next

Business Day after the day the Party delivering the notice timely deposits the notice with the courier for overnight (next day) delivery.

If to Landlord: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Glenn Pierce
Facsimile: (310) 272-1581
Email: gpierce@canyonagassi.com

With Copies to: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Bari Cooper Sherman, Esq.
Facsimile: (310) 272-1537
Email: bsherman@canyonagassi.com

And to: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Antonio Gonzales
Facsimile: (310) 272-1490
Email: agonzales@canyonagassi.com

And to: Quarles & Brady LLP
411 East Wisconsin Avenue
Suite 2350
Milwaukee, WI 53202
Attn: Michael J. Ostermeyer
Facsimile: (414) 978-8956
Email: michael.ostermeyer@quarles.com

If to Tenant: Southwest Detroit Lighthouse Charter Academy
163 Madison Street
Room 250
Detroit, MI 48226
Attn: Principal
Facsimile: _____
Email: _____@lighthouse-academies.org

With Copy to: Lighthouse Academies, Inc.
1661 Worcester Road
Framingham, MA 01701
Attention: C. Anne LaTarte
Facsimile: (508) 626-0905
Email: alatarte@lighthouse-academies.org

Any notice by either Party hereto, whether required or permissible hereunder, may be given by such Party's then current attorney, which notice, when given by such attorney, shall be deemed equally as effective as if given by such Party directly.

ARTICLE XXVI **Estoppel Certificates**

Within ten (10) Business Days following any written request which Landlord may make from time to time, Tenant shall execute and deliver to Landlord, any mortgagee or prospective mortgagee, any purchaser or prospective purchaser of Landlord or the Premises, a sworn statement certifying: (i) the date of commencement of this Lease; (ii) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications to this Lease, that this lease is in full force and effect, as modified, and stating the date and nature of such modifications); (iii) the date to which the rent and other sums payable under this Lease have been paid; (iv) the fact that there are no current defaults under this Lease by either Landlord or Tenant except as specified in Tenant's statement; and (v) such other matters as may be reasonably requested by Landlord. Landlord and Tenant intend that any statement delivered pursuant to this ARTICLE XXVI may be relied upon by any mortgagee, beneficiary or purchaser, and Tenant shall be liable for all loss, cost or expense resulting from the failure of any sale or funding of any loan caused by any material misstatement contained in such estoppel certificate. Tenant irrevocably agrees that if Tenant fails to execute and deliver such certificate within such ten (10) Business Day period Landlord or Landlord's beneficiary or agent may execute and deliver such certificate on Tenant's behalf, and that such certificate shall be fully binding on Tenant.

ARTICLE XXVII **Holdover**

If Tenant, with Landlord's written consent, holds over at the end of the Term of this Lease, Tenant shall become a tenant at will and any such holding over shall not constitute an extension of this Lease. During such holding over, Tenant shall pay rent and other charges at the highest monthly rate provided for herein and shall be subject to all conditions, provisions and obligations of this Lease in effect on the last day of the Term. If Tenant holds over at the end of the term without Landlord's written consent, such holding over shall be treated as a daily tenancy at sufferance at a rate equal to the greater of (i) 2 times the Base Rent then in effect and (ii) the fair market rent plus Additional Rent and other additional charges herein provided (prorated on a daily basis) and shall otherwise be on the terms and conditions set forth in this Lease as far as applicable. Without limiting the foregoing, Tenant shall also be responsible for, and indemnify and hold Landlord harmless from and against, all loss, cost and damage suffered by Landlord (including without limitation loss of rental or loss of a tenant) as a result of any such holding over.

ARTICLE XXVIII **Representations and Warranties**

28.1 Tenant. Tenant represents and warrants as follows:

28.1.1 There are no actions, suits or proceedings pending or, to the knowledge of Tenant, threatened against or affecting Tenant, at law or in equity or before any federal, state,

municipal or governmental department, commission, board, bureau, agency or instrumentality which would impair Tenant's ability to perform its obligations under this Lease;

28.1.2 This Lease has been duly authorized, executed and delivered by Tenant and constitutes the legal, valid and binding obligation of Tenant; and

28.1.3 The consummation of the transactions hereby contemplated and the performance of this Lease shall not result in any breach or violation of, or constitute a default under any Lease, bank loan or credit agreement to which Tenant is a party

28.1.4 .

28.2 Landlord. Landlord represents and warrants as follows:

28.2.1 There are no actions, suits or proceedings pending or, to the knowledge of Landlord, threatened against or affecting Landlord, at law or in equity or before any federal, state, municipal or governmental department, commission, board, bureau, agency or instrumentality which would impair Landlord's ability to perform its obligations under this Lease;

28.2.2 This Lease has been duly authorized, executed and delivered by Landlord and constitutes the legal, valid and binding obligation of Landlord; and

28.2.3 The consummation of the transactions hereby contemplated and the performance of this Lease shall not result in any breach or violation of, or constitute a default under any Lease, bank loan or credit agreement to which Landlord is a party.

ARTICLE XXIX Miscellaneous Provisions

29.1 Liability of Landlord; Transfer of Landlord's Interest.

29.1.1 Tenant agrees to look solely to Landlord's equity interest in the Premises at the time of recovery for recovery of any judgment against Landlord, and agrees that neither Landlord nor any successor of Landlord shall be personally liable for any such judgment, or for the payment of any monetary obligation to Tenant. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or any successor of Landlord, or to take any action not involving the personal liability of Landlord or any successor of Landlord to respond in monetary damages from Landlord's assets other than Landlord's equity interest in the Premises.

29.1.2 Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Premises and in this Lease. Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease, and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder accruing after the date of transfer. Such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of any Security Deposit, and Tenant shall attorn to such transferee. Tenant further acknowledges that Landlord may assign its interest in this Lease to any lender as security. Tenant agrees that such an assignment shall not release Landlord from its obligations hereunder and that

Tenant shall continue to look to Landlord for the performance of its obligations hereunder unless and until Landlord's lender succeeds to Landlord's interest under this Lease.

29.1.3 Notwithstanding any contrary provision herein, neither Landlord nor any Landlord Party shall be liable to Tenant or any Person claiming under Tenant under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring, or for any indirect or consequential damages.

29.1.4 Any repairs or restoration required or permitted to be made by Landlord under this Lease may be made during normal business hours, and Landlord shall have no liability for damages to Tenant for inconvenience, annoyance or interruption of business arising therefrom.

29.2 Recording. Landlord and Tenant agree not to record the within Lease, but simultaneously with their execution and delivery of this Lease to execute, deliver and record a Memorandum of Lease, in recordable form and in content substantially conforming to the form attached hereto as Exhibit G. In no event shall such document set forth rent or other charges payable by Tenant under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

29.3 Confidentiality and Publicity.

29.3.1 Tenant agrees that (i) this Lease and the terms contained herein, (ii) all information regarding the Premises of whatever nature made available to Tenant or any Tenant Party by Landlord or any Landlord Party, and (iii) the results of all tests and studies of the Premises (altogether, collectively, the "**Confidential Information**") shall be treated as strictly confidential. Accordingly, neither Tenant nor any Tenant Party shall disclose the same to any third party without the written consent of Landlord; provided, however, that, Tenant shall not hereby be precluded from disclosure of Confidential Information that may be compelled by Legal Requirements, or from disclosing this Lease (and the terms contained herein) to its attorneys, accountants, auditors, lenders, and other professionals who may be bound to Tenant by duties of confidence. Tenant acknowledges that the terms of this provision shall not limit Landlord from making Confidential Information available to its attorneys, accountants, auditors, lenders, and other professionals who may be bound to Landlord by duties of confidence, as well as to brokers, lenders, principals, agents, employees, and others involved in any sale, financing, or other transfer of Landlord's interest in the Property.

29.3.2 If Tenant or any Tenant Party is required by Legal Requirements to provide this Lease or disclose any of its terms, or otherwise disclose any Confidential Information, Tenant shall give Landlord prompt notice of such requirement before making disclosure so that Landlord may seek an appropriate protective order. If Landlord does not seek or is not successful in obtaining a protective order and Tenant or such Tenant Party is compelled to make disclosure, Tenant or such Tenant Party shall only disclose portions of the Confidential Information that are required to be disclosed, and Tenant and such Tenant Party shall exercise reasonable efforts to obtain assurance that confidential treatment shall be accorded to the Confidential Information so disclosed.

29.3.3 Neither Tenant nor any Tenant Party shall at any time issue a press release or otherwise communicate with media representatives regarding this Lease, the Premises or any other Confidential Information unless such release or communication has received the prior written approval of Landlord, which may be granted or withheld in Landlord's sole discretion.

29.4 When Lease Becomes Binding; Entire Agreement. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. All negotiations, considerations, representations and understandings between Landlord and Tenant are incorporated herein and this Lease expressly supersedes any proposals or other written documents relating hereto. The entire agreement between the Parties respecting the Lease of the Premises and all matters covered or mentioned in the Lease is contained in this Lease, which expressly incorporates all of the following:

- Exhibit A: Legal Description of the Premises
- Exhibit B: Commencement Date Certificate
- Exhibit C-1: Subordination Agreement
- Exhibit C-2: Guaranty
- Exhibit D: Development Summary
- Exhibit E: Schematic Plans
- Schedule E-1: Budget
- Exhibit F: Option to Purchase
- Exhibit G: Memorandum of Lease
- Exhibit H: Base Rent Schedule
- Exhibit J: Building Maintenance Checklist

This Lease may not be altered, changed or amended except by an instrument in writing signed by both Parties. This Lease may be modified or altered only by written agreement between Landlord and Tenant, and no act or omission of any employee or agent of Landlord shall alter, change or modify any of the provisions hereof.

29.5 Unavoidable Delay. Except as expressly provided in this Lease, if Landlord or Tenant is delayed or prevented from performing any of its respective obligations because of strikes, lockouts, labor troubles, inability to procure materials, failure of power, governmental restrictions, litigation which results in an injunction prohibiting or otherwise delaying the continuity of such construction or other acts, or other reasons not within the reasonable control of the Party delayed in performing such obligation (each an “**Unavoidable Delay**”), then the period of such delays shall be deemed added to the time herein provided for the performance of any such obligation and the defaulting Party shall not be liable for losses or damages caused by such delays; *provided, however*, that this Section shall not (i) affect Tenant’s obligation to pay Base Rent or any obligation of Landlord or Tenant that can be satisfied by the payment of money, or (ii) extend any date(s) for giving notice pursuant to Section 2.3.

29.6 Consent. If Tenant shall request Landlord’s consent and Landlord shall fail or refuse to give such consent, Tenant shall not be entitled to any damages for any withholding by Landlord of its consent, it being intended that Tenant’s sole remedy shall be an action for specific performance or injunction, and such remedy shall be available only in those cases where Landlord

has expressly agreed in writing not to unreasonably withhold its consent or where as a matter of law Landlord may not unreasonably withhold its consent. Furthermore, whenever Tenant requests Landlord's consent or approval (whether or not provided for herein), Tenant shall pay to Landlord, on demand, as Additional Rent, any reasonable expenses incurred by Landlord (including without limitation reasonable attorneys' fees and costs, if any) in connection therewith.

29.7 PATRIOT ACT. As an inducement to Landlord to enter into this Lease, Tenant hereby represents and warrants that: (i) Tenant is not, nor is it owned or controlled directly or indirectly by, any person, group, entity or nation named on any list issued by the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") pursuant to Executive Order 13224 or any similar list or any law, order, rule or regulation or any Executive Order of the President of the United States as a terrorist, "**Specially Designated National and Blocked Person**" or other banned or blocked person (any such person, group, entity or nation being hereinafter referred to as a "**Prohibited Person**"); (ii) Tenant is not (nor is it owned, controlled, directly or indirectly, by any person, group, entity or nation which is) acting directly or indirectly for or on behalf of any Prohibited Person; and (iii) from and after the effective date of the above-referenced Executive Order, Tenant (and any person, group, or entity which Tenant controls, directly or indirectly) has not knowingly conducted and may not knowingly conduct business, nor has or may Tenant knowingly engage in any transaction or dealing with any Prohibited Person in violation of the U.S. PATRIOT Act or any OFAC rule or regulation, including without limitation any assignment of this Lease or any subletting of all or any portion of the Premises or the making or receiving of any contribution of funds, goods or services to or for the benefit of a Prohibited Person in violation of the U.S. Patriot Act or any OFAC rule or regulation. In connection with the foregoing, it is expressly understood and agreed that (x) any breach by Tenant of the foregoing representations and warranties shall be deemed an immediate Event of Default by Tenant under Section 21.1 of this Lease (without the benefit of notice or grace) and shall be covered by the indemnity provisions of Section 8.1, and (y) the representations and warranties contained in this subsection shall be continuing in nature and shall survive the expiration or earlier termination of this Lease.

29.8 No Partnership. The relationship of the Parties is that of landlord and tenant and no partnership, joint venture or participation is hereby created.

29.9 Excavation. If an excavation shall be made upon land adjacent to or under the Building, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter the Premises for the purpose of performing such work as said person shall deem necessary or desirable to preserve and protect the Building from injury or damage to support the same by proper foundations, without any claim for damages or liability against Landlord and without reducing or otherwise affecting Tenant's obligations under this Lease.

29.10 Choice of Law. This Lease shall be governed by and construed in accordance with the laws of the State of Michigan. If any provisions of this Lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Lease and the application of that provision to other persons or circumstances shall not be affected but rather shall be enforced to the extent permitted by law. The captions, headings and titles in this Lease are solely for convenience of reference and shall not affect its interpretation. This Lease shall be construed without regard to any presumption or other rule requiring construction against the Party causing this Lease to be drafted. Each covenant,

agreement, obligation or other provision of this Lease on Tenant's part to be performed, shall be deemed and construed as a separate and independent covenant of Tenant, not dependent on any other provision of this Lease. All terms and words used in this Lease, shall be deemed to include any other number and any other gender as the context may require.

29.11 Waiver of Jury Trial. Tenant hereby voluntarily and knowingly waives trial by jury, to the extent permitted by Legal Requirements, in any action, proceeding, or counterclaim by either Party against the other Party on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, any emergency or statutory remedy, or any act or omission of any Party with respect to this Lease or the Premises. In the event of litigation, this Lease may be filed as a written consent to a trial by the court without a jury.

29.12 Independent Covenants. This Lease shall be construed as though the covenants herein (including, without limitation, Tenant's obligation to pay Rent) between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.13 Performance of Covenants after Subletting. Landlord acknowledges Tenant's intention to sublet all of the Premises to Subtenant on or before the Commencement Date, which subletting shall be subject to the limitations in ARTICLE XVI of this Lease, and on the terms and conditions of the Sublease Agreement set forth on the attached Exhibit K. Accordingly, Landlord acknowledges that, after such subletting, certain affirmative covenants and obligations required under this Lease to be performed by "Tenant" may be performed by Subtenant (as subtenant under the pertinent Sublease Agreement), and hereby consents to the same.

29.14 Successors and Assigns. Except as herein otherwise provided, the terms hereof shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of Landlord and Tenant (except in the case of Tenant, however, only such assigns as may be permitted hereunder) and, if Tenant shall be an individual, upon and to his heirs, executors, administrators, successors and permitted assigns. Each term and each provision of this Lease to be performed by Tenant shall be construed to be both a covenant and a condition. The reference contained to successors and assigns of Tenant is not intended to constitute a consent to assignment by Tenant.

29.15 Joint and Several Liability. If there is more than one (1) person or entity named as Tenant hereunder, the obligations of Tenants hereunder shall be joint and several obligations of each of Tenant. In accordance with the terms of this Lease, Landlord may proceed against any or all Tenants in the event of a default hereunder subject to any defenses as may be available to any Tenant.

29.16 Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original. Executed counterparts of this Lease may be delivered electronically by facsimile or electronic mail, and such documents shall be effective as original executed instruments.

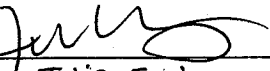
29.17 Jurisdiction. Landlord and Tenant hereby consent and submit irrevocably to the jurisdiction of the state and federal courts located in the State of Michigan with respect to the provisions of this Lease.

[Signatures begin on next page.]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the day and year first above written.

TENANT:

**SOUTHWEST DETROIT LIGHTHOUSE
CHARTER ACADEMY
a Michigan nonprofit corporation**

By: 
Name: Julie Feinberg
Title: President

LANDLORD:

**CA DETROIT 4001 29S LLC,
a Delaware limited liability company**

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the day and year first above written.

TENANT:

**SOUTHWEST DETROIT LIGHTHOUSE
CHARTER ACADEMY
a Michigan nonprofit corporation**

By: _____

Name:

Title:

LANDLORD:

**CA DETROIT 4001 29S LLC,
a Delaware limited liability company**

By: _____

Name:

Title:

Bari Cooper Sherman
Vice President

Legal	Acq/AM
28	/

EXHIBIT A
Legal Description of the Premises

Lands situated in the City of Detroit, County of Wayne, State of Michigan, described as follows:

Lots 39 through 54, both inclusive, West of 29th Street, including the adjacent vacated alley lying West of the West lines of Lots 39 through 53 and lying West of the West line of the South 11.20 feet of Lot 54, in Private Claim 30 of HAMMOND & RICH'S SUBDIVISION, as recorded in Liber 6 of Plats, Page 67, Wayne County Records.

ALSO,

Lots 28 through 43, both inclusive, and Lots 78 through 93, both inclusive, together with the part of vacated 30th Street which is North of Jackson Street, as platted, being adjacent to said Lots, also including the Easterly 3 feet of the North-South alley adjacent to said Lots 28 to 43, both inclusive, and the Westerly 3 feet of the North-South alley adjacent to said Lots 78 to 93, both inclusive, all of HERBERT BOWEN & GEORGE T. ABREY'S SUBDIVISION, as recorded in Liber 15 of Plats, Page 57, Wayne County Records.

ALSO,

Lots 21 through 36, and the North 20.1 feet of Lot 37, including the adjacent vacated alley lying East of the East lines of Lots 22 through 37 and lying East of the East line of the South 8.90 feet of Lot 21, of SCRIPPS AND BREARLEY'S SUBDN, as recorded in Liber 6 of Plats, Page 61, Wayne County Records. Except any other part of Lot 37 taken for street widening.

EXHIBIT B
Commencement Date Certificate

This Agreement, made this ____ day of _____, 20____ between CA DETROIT 4001 29S LLC, a Delaware limited liability company (“**Landlord**”), and SOUTHWEST DETROIT LIGHTHOUSE CHARTER ACADEMY, a Michigan nonprofit corporation (“**Tenant**”).

W I T N E S S E T H :

WHEREAS, by a certain Lease (hereinafter called “the **Lease**”), dated as of the ____ day of _____, 2013, Landlord leased to Tenant the entire land and building known as 4001 29th Street in the City of Detroit, Wayne County, State of Michigan, and described on Exhibit A of the Lease (the “**Premises**”); and

WHEREAS, Tenant is now in possession of the Premises; and

WHEREAS, under the provisions of the Lease, Landlord and Tenant agreed to execute, acknowledge and deliver to each other an agreement setting forth the Rent Commencement Date.

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. The Effective Date of the Lease was the ____ day of _____, 2013.
2. The Rent Commencement Date of the Lease was the ____ day of _____, 2013.
3. The Expiration Date of the Term is the 30th day of June, 2042.
4. The Base Rent as of the date hereof is \$ _____.
5. The Additional Rent payable to Landlord as of the date hereof is \$ _____.
6. The Lease is in full force and effect and has not been modified, supplemented or amended in any way.
7. That all terms and conditions to be performed by the Landlord and Tenant under the terms of the Lease have been satisfied unless noted in an appendix to this Agreement; that as of the date hereof, there are no existing defenses or offsets against the Landlord or Tenant under the Lease terms; and that no rent has been paid in advance, except as may be provided for in the Lease and the rent has continued to be paid in accordance with said lease since the Rent Commencement Date.
8. Tenant is in occupancy of the leased Premises.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement on the day and year first above written.

LANDLORD:

WITNESS:

CA DETROIT 4001 29S LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

TENANT:

WITNESS:

SOUTHWEST DETROIT LIGHTHOUSE
CHARTER ACADEMY,
a Michigan nonprofit corporation

By: _____
Name: _____
Title: _____

EXHIBIT C-1
Form of Subordination Agreement

THIS SUBORDINATION OF MANAGEMENT AGREEMENT (this “**Agreement**”) is executed as of the 15th day of February, 2013 (the “**Closing Date**”) by and between Lighthouse Academies, Inc., a Delaware nonprofit corporation (“**Manager**”), CA DETROIT 4001 29S LLC, a Delaware limited liability company (“**Landlord**”), and SOUTHWEST DETROIT LIGHTHOUSE CHARTER ACADEMY, a Michigan nonprofit corporation (“**Tenant**”). Each of Manager, Landlord, and Tenant shall be referred to for purposes of this Agreement as a “**Party**,” and all collectively shall be referred to for purposes of this Agreement as the “**Parties**.”

RECITALS

A. Landlord and Tenant will enter into that certain Lease Agreement dated of even date herewith (the “**Lease**”), pursuant to which Landlord will let to Tenant, and Tenant will lease from Landlord, certain “**Premises**” consisting of (i) real property at 4001 29th Street in the City of Detroit, Wayne County, Michigan, more particularly described on Attachment 1 attached to and made a part of this Agreement (the “**Land**”), (ii) the building located and/or to be constructed upon the Land, and (iii) all fixtures and improvements located therein and thereon, all as demised according to the terms of the Lease.

B. Tenant intends to operate at the Premises the “Southwest Detroit Lighthouse Charter Academy,” a Michigan public school academy (the “**Charter School**,”) authorized pursuant to that certain Contract to Charter a Public School Academy and Related Documents issued by The Grand Valley State University Board of Trustees issued to Southwest Detroit Lighthouse Charter Academy Confirming the Status of Southwest Detroit Lighthouse Charter Academy as a Public School Academy, issued under Michigan Compiled Laws § 380.503 and dated as of July 1, 2013.

C. Tenant and Manager executed that certain Development, Academic and Business Services Agreement dated as of _____, 2013 and set forth on Attachment 2 attached to and made a part of this Agreement (the “**Management Agreement**”), pursuant to which Manager shall provide certain consulting services to Tenant.

D. Given Tenant’s intentions (i) to enter into the Lease for the Premises and (ii) to operate the Charter School (with Manager’s assistance) at the Premises, Manager shall materially benefit from Landlord’s and Tenant’s entering into the Lease.

E. Landlord would not enter into the Lease but for Tenant’s and Manager’s entering into this Agreement with Landlord.

F. Terms that are capitalized in this Agreement but not defined herein shall have the meanings set forth in the Lease. A copy of the Lease is set forth on the Attachment 3 attached to and made a part of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Subordination of Management Agreement. Manager hereby subordinates all of its right, title, and interest in and to any fee or services payment of any kind payable to Manager under the Management Agreement to the rights of Landlord under the Lease, including (without limitation) the rights of Landlord to receive payment of Rent and of all other sums due or owing under the Lease. Accordingly: the Management Agreement shall be, and is, subject, subordinate, and inferior to the Lease, and to all renewals, extensions, modifications, or amendments of the Lease; terms of the Lease and of this Agreement shall govern the rights of Landlord notwithstanding any contrary provision of the Management Agreement; and no fee or services payment of any kind due or owing under the Management Agreement may be paid by Tenant to Manager until any and all amounts then due or owing under the Lease shall have been paid to Landlord; provided that, notwithstanding the foregoing, Tenant may reimburse Manager for Manager's out-of-pocket expenses, advancements, fees, or loans incurred under Sections 2.25, 7.4, 7.7, and 7.8 of the Management Agreement notwithstanding that certain amounts may then be due or owing to Landlord under the Lease.

2. Modification of Management Agreement. Manager and Tenant hereby agree that the terms of the Management Agreement shall not be materially altered or amended without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed.

3. Termination of Lease or Right to Possess. Manager hereby agrees that, if the Lease shall expire or be terminated, or if Tenant's right to possess the Premises shall be terminated for any reason whatsoever, Landlord thereafter shall have no obligation to Tenant, Manager, or any other person or entity for any fee due or accruing under the Management Agreement, whether before or after the date of such expiration or termination. Manager acknowledges that the obligations of Tenant under the Management Agreement are personal obligations of Tenant.

4. Landlord's Cure Rights. The Management Agreement is in full force and effect and has not been amended or modified from the document set forth on Attachment 2. As of the Closing Date, there are no defaults under the Management Agreement, nor does there exist any failure or condition the continuation of which, with the passage of time, would constitute a default under the Management Agreement. Manager shall deliver to Landlord written notice of any default by Tenant under the Management Agreement and Landlord shall have the right, though not the obligation, for thirty (30) days after delivery of such notice to cure any such default before Manager may exercise any of its rights under the Management Agreement.

5. Landlord Not Obligated Under Management Agreement. Except only as otherwise expressly provided under this Agreement, Landlord shall have no liability or obligation whatsoever in connection with the Management Agreement.

6. Employee Status. Notwithstanding anything in the Management Agreement to the contrary, in no event shall Landlord (including its successors and assigns) or any Landlord Party be or be deemed the "Employer" of any of the person or entity working at the Premises. All employees of Manager working at the Premises shall be and remain the employees of Manager alone.

7. Landlord's Right to Modify the Lease. Landlord and Tenant may renew, extend, modify, or amend the Lease without notice to Manager and without prejudice to the rights of Landlord hereunder.

8. Notices. Any notices under this Agreement must be in writing and must be sent by (i) personal delivery, (ii) by United States registered or certified mail (postage prepaid), (iii) by

electronic mail or facsimile (with a copy sent the same day by one of the other prescribed methods of delivery) or (iv) by an independent overnight courier service, addressed to the addresses specified below or at such other place as a Party may designate to the other Parties by written notice given in accordance with this Section. Notices given by registered or certified mail are deemed effective three (3) Business Days after the Party sending the notice deposits the notice with the United States Post Office. Notices given by electronic mail or facsimile are deemed effective on the Business Day transmitted (or, if transmitted on a day that is not a Business Day, then on the next occurring Business Day). Notices delivered by overnight courier are deemed effective on the next Business Day after the day the Party delivering the notice timely deposits the notice with the courier for overnight (next day) delivery.

If to Landlord: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Glenn Pierce
Facsimile: (310) 272-1581
Email: gpierce@canyonagassi.com

With Copies to: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Bari Cooper Sherman, Esq.
Facsimile: (310) 272-1537
Email: bsherman@canyonagassi.com

And to: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Antonio Gonzales
Facsimile: (310) 272-1490
Email: agonzales@canyonagassi.com

And to: Quarles & Brady LLP
411 East Wisconsin Avenue
Suite 2350
Milwaukee, WI 53202
Attn: Michael J. Ostermeyer
Facsimile: (414) 978-8956
Email: michael.ostermeyer@quarles.com

If to Tenant: Southwest Detroit Lighthouse Charter Academy
163 Madison Street
Room 250
Detroit, MI 48226
Attn: Principal
Facsimile: _____

Email: _____@lighthouse-academies.org

With Copy to: Lighthouse Academies, Inc.
1661 Worcester Road
Framingham, MA 01701
Attention: C. Anne LaTarte
Facsimile: (508) 626-0905
Email: alatarte@lighthouse-academies.org

If to Manager: Lighthouse Academies, Inc.
1661 Worcester Road
Suite 207
Framingham, MA 01701
Attention: Michael Ronan
Facsimile: (508) 626-0905
Email: mronan@lighthouse-academies.org

Any notice by either Party, whether required or permissible hereunder, may be given by such Party's then-current attorney, which notice, when given by such attorney, shall be deemed equally as effective as if given by such Party directly.

9. No Joint Venture. Landlord and Manager have no obligation to each other except as provided (i) in this Agreement and (ii) in a Development Services Fee Agreement entered into between Landlord and Manager and dated of even date herewith. Manager shall not be a third party beneficiary with respect to any of Landlord's obligations to Tenant set forth in the Lease or this Agreement. The relationship of Landlord to Tenant is one of landlord and tenant, and Landlord is not a joint venturer or partner of Tenant.

10. Modifications. The Parties by mutual consent in writing may amend, modify, supplement, and waive any right under this Agreement. No oral modifications are permitted.

11. Partial Invalidity. If any provision of this Agreement, or the application of this Agreement to any person or circumstance, shall be invalid or unenforceable for any reason or to any extent, then the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the extent permitted by law.

12. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan.

13. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Parties and shall inure to the benefit of the successors and assigns of Landlord.

14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same Agreement.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the Closing Date.

MANAGER:

Lighthouse Academies, Inc.,
a Delaware nonprofit corporation

By: _____
Print Name: _____
Its: _____

LANDLORD:

CA Detroit 4001 29S LLC,
a Delaware limited liability company

By: _____
Print Name: _____
Its: _____

TENANT:

Southwest Detroit Lighthouse Charter Academy,
a Michigan nonprofit corporation

By: _____
Name: _____
Its: _____

Attachment 1 to Exhibit C-1

Legal Description of the Land

Lands situated in the City of Detroit, County of Wayne, State of Michigan, described as follows:

Lots 39 through 54, both inclusive, West of 29th Street, including the adjacent vacated alley lying West of the West lines of Lots 39 through 53 and lying West of the West line of the South 11.20 feet of Lot 54, in Private Claim 30 of HAMMOND & RICH'S SUBDIVISION, as recorded in Liber 6 of Plats, Page 67, Wayne County Records.

ALSO,

Lots 28 through 43, both inclusive, and Lots 78 through 93, both inclusive, together with the part of vacated 30th Street which is North of Jackson Street, as platted, being adjacent to said Lots, also including the Easterly 3 feet of the North-South alley adjacent to said Lots 28 to 43, both inclusive, and the Westerly 3 feet of the North-South alley adjacent to said Lots 78 to 93, both inclusive, all of HERBERT BOWEN & GEORGE T. ABREY'S SUBDIVISION, as recorded in Liber 15 of Plats, Page 57, Wayne County Records.

ALSO,

Lots 21 through 36, and the North 20.1 feet of Lot 37, including the adjacent vacated alley lying East of the East lines of Lots 22 through 37 and lying East of the East line of the South 8.90 feet of Lot 21, of SCRIPPS AND BREARLEY'S SUBDN, as recorded in Liber 6 of Plats, Page 61, Wayne County Records. Except any other part of Lot 37 taken for street widening.

Attachment 2 to Exhibit C-1
Copy of the Management Agreement

[Attached 40 pages]

Attachment 3 to Exhibit C-1

Copy of the Lease

[Attached ____ pages]

EXHIBIT C-2
Form of Guaranty

This Guaranty of Lease (the "**Guaranty**") is made this 15th day of February, 2013 by LIGHTHOUSE ACADEMIES, INC., with an address at 1661 Worcester Road, Framingham, Massachusetts 01701, (the "**Guarantor**") in favor of CA DETROIT 4001 29S LLC, with an address of c/o Canyon-Agassi Charter School Facilities Fund, L.P., 2000 Avenue of the Stars, 11th Floor, Los Angeles, California 90067, and its successors and assigns ("**Landlord**"), with respect to that certain Lease (the "**Lease**") dated February 15, 2013 between Landlord and SOUTHWEST DETROIT LIGHTHOUSE CHARTER ACADEMY, a Michigan nonprofit corporation (the "**Tenant**"), covering certain real property and improvements now or hereafter located at 4001 29th Street, in the City of Detroit, Wayne County, State of Michigan (the "**Premises**") and more particularly described in the Lease. All capitalized terms not otherwise modified or defined herein shall have the respective same meanings ascribed to them in the Lease.

WHEREAS, Guarantor is herewith delivering this Guaranty to induce Landlord to enter into Lease;

NOW, THEREFORE, Guarantor hereby agrees as follows:

1. In order to induce Landlord to enter into the Lease and in consideration of Landlord's entering into the Lease, Guarantor hereby guarantees, unconditionally and absolutely, to Landlord, its successors and assigns (without requiring any notice of nonpayment, nonkeeping, nonperformance or nonobservance or proof of notice or demand whereby to charge Guarantor, all of which Guarantor hereby expressly waives), the full and punctual payment, performance and observance by Tenant of the obligation to pay Base Rent and Additional Rent, plus Landlord's costs of enforcement of this Guaranty, if any, as specified in Section 10 of this Guaranty.
2. As further inducements to Landlord to enter into the Lease and in consideration thereof:
(i) Guarantor represents and warrants that (A) Guarantor has an interest in Tenant, (B) Guarantor derives economic and other benefits from the Lease, and (C) this Guaranty constitutes Guarantor's valid and legally binding agreement in accordance with its terms; (ii) Guarantor hereby covenants that, for so long as this Guaranty shall remain in effect, Guarantor shall maintain an interest in Tenant; and (iii) Guarantor further covenants that, for so long as this Guaranty shall remain in effect, the prospective contingent liability of Guarantor under this Guaranty, all other outstanding guaranties, and all other similar obligations shall not in the aggregate, at any such time, exceed the audited net worth of Guarantor.
3. If, at any time, Tenant shall default in the payment, performance or observance of any of the terms, covenants or conditions of the Lease on Tenant's part to be paid, kept, performed or observed, Guarantor shall keep, perform and observe the same, as the case may be, in place and stead of Tenant.
4. Any act of Landlord, or the successors or assigns of Landlord, consisting of a waiver of any of the terms or conditions of the Lease, or the giving of any consent to any matter or thing relating to the Lease, or the granting of any indulgences or extensions of time to Tenant, may be done without notice to or consent from Guarantor, and without releasing any obligations of Guarantor hereunder. Guarantor also expressly waives notice of acceptance of this Guaranty and notice of any default or event of default under the Lease by Tenant and any and all other notices under such Lease; it being the intention hereunder that Guarantor shall remain liable hereunder until all of the terms, covenants and conditions of the Lease shall have been fully performed and observed by the Tenant thereunder,

notwithstanding any act, omission or thing which might otherwise operate as a legal or equitable discharge of Guarantor. Without limiting the foregoing, Guarantor expressly waives all diligence of collection; presentment; demand, notice and protest; any right to disclosures from Landlord regarding the financial condition of the Tenant or any other guarantor of the Lease; the defense of collateral impairment; and any and all other defenses which might otherwise be available to Guarantor.

5. This Guaranty shall be enforceable against Guarantor without the necessity of any suit or proceedings on Landlord's part of any kind or nature whatsoever against Tenant, its successors and assigns, or any other person or entity ("**Other Guarantor**") guaranteeing any of the same obligations guaranteed by Guarantor hereunder, including without limitation, the existing Guarantor, and without the necessity of notice of nonpayment, nonperformance or nonobservance or any notice of acceptance of this Guaranty and without the need for demand for payment under this Guaranty or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives; and Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no respect be terminated, affected, diminished or impaired by reason of the assertion or the failure to assert by Landlord against Tenant, or against Tenant's successors and assigns, or against any Other Guarantor, of any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease or allowed at law or in equity, or by relief of Tenant or any Other Guarantor from any of their respective obligations under the Lease, their guaranties or otherwise.

6. The liability hereunder of Guarantor shall in no way be affected by: (i) the release or discharge of Tenant in any creditors' receivership, bankruptcy or other proceedings; (ii) the impairment, limitation or modification of the liability of Tenant or any Other Guarantor or the estate of Tenant or any Other Guarantor in bankruptcy, or of any remedy for the enforcement of Tenant's said liability under the Lease, or any Other Guarantor's liability under its guaranty, resulting from the operation of any present or future provisions of any bankruptcy laws or other statute or from the decision of any court; (iii) the rejection or disaffirmance of the Lease in any such proceedings; (iv) any lack of validity or enforceability of this Guaranty, the Lease, any other guaranty or any other circumstance which might otherwise constitute a defense available to Guarantor or Tenant; (v) the assignment or transfer of the Lease by Tenant or the exercise of any of Tenant's franchisor's rights to assume the rights and obligations of Tenant under the Lease; (vi) any disability or other defense of Tenant; (vii) any sublease of all or any part of the premises demised under the Lease; or (viii) the sale or conveyance by Landlord of its interest in the Lease or of said premises. Nothing hereunder is intended to permit Landlord double recovery, should Tenant fulfill its obligations under the Lease, or permit Landlord to recover sums which, pursuant to the express terms and conditions of the Lease, are not owed by Tenant to Landlord or are otherwise outside the scope of Tenant's obligations thereunder; provided however that if any suit or other remedy is availed of by Landlord, only the net proceeds therefrom after deduction of all charges and expenses of every kind and nature whatsoever, including but not limited to attorneys' fees, shall be applied in reduction of the amount due under the Lease. Landlord shall be entitled to any form of relief which it shall desire to use, including but not limited to specific performance, eviction, and action for money damages or any or all of the above or any other remedy.

7. Guarantor agrees that this Guaranty shall be a continuing Guaranty, that its liability hereunder shall be primary and not secondary, and shall be joint and several with that of any Other Guarantor and of Tenant. The obligations hereunder of Guarantor shall not be released by Landlord's receipt, application or release of any security given for the payment, performance and observance of covenants and conditions in the Lease contained on Tenant's part to be paid, performed or observed; nor by any modification of the Lease, but in the case of any such modification, the liability of Guarantor

shall be deemed modified in accordance with the terms of any such modification of the Lease. Notwithstanding the foregoing: (i) Guarantor's liability hereunder shall not exceed the sum of \$1,164,000; and (ii) if, during the 4th Lease Year of the Term, or during any Lease Year occurring thereafter, (A) average daily enrollment (on a full-time equivalency basis) equal to ninety-five percent (95%) of the enrollment level set forth in Section 7.5.2(b)(iv) of the Lease shall be achieved at Southwest Detroit Lighthouse Charter Academy (authorized pursuant to the Charter School Contract, as defined in the Lease) with respect to such Lease Year (using the enrollment level for the 5th Lease Year for any Lease Year thereafter), and (B) Tenant shall not be in default under the Lease as of the Guaranty Release Date (as defined below), then Guarantor shall be released from its obligations under this Guaranty as of the first day of the next succeeding Lease Year (the "**Guaranty Release Date**"), and Guarantor shall thereafter have no further obligation under this Guaranty from and after the Guaranty Release Date; provided, however, that nothing herein shall release Guarantor from any of its obligations under this Guaranty arising prior to the Guaranty Release Date.

8. Until all the covenants and conditions in the Lease on Tenant's part to be paid, performed and observed are fully paid, performed and observed, Guarantor: (i) shall have no right of subrogation against Tenant by reason of any payments or acts of performance by Guarantor in compliance with the obligations of Guarantor hereunder; (ii) irrevocably waives any right to enforce any remedy which Guarantor now has or hereafter may have against Tenant by reason of any one or more payments or acts of performance in compliance with the obligations of Guarantor hereunder; and (iii) subordinates any liability or indebtedness of Tenant now or hereafter held by Guarantor to the obligations of Tenant to Landlord under the Lease.

9. Landlord may, at its option, join Guarantor as a party in any action, suit or proceeding commenced against Tenant arising out of or in connection with the Lease, and recovery may be had against Guarantors, whether or not judgment is also taken or had against Tenant. Further, this Guaranty may be enforced against Guarantor without first proceeding against Tenant.

10. Guarantor agrees that if this Guaranty is or shall be enforced by any action, suit or proceeding, Guarantor shall reimburse Landlord for all reasonable costs and expenses, incurred by Landlord in connection with the enforcement of this Guaranty, including, without limitation, reasonable counsel fees and disbursements, provided that Landlord is the prevailing party at litigation.

11. Guarantor irrevocably waives trial by jury of any and all issues arising in any action, suit or proceeding to which Landlord and Guarantor may be party upon, under or connected with this Guaranty or any of its provisions, directly or indirectly. Guarantor irrevocably submits to the non-exclusive jurisdiction of any local or Federal court sitting in the State of Michigan in any action or proceeding arising out of or relating to this Guaranty, and irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such local or Federal court. Guarantor irrevocably waives (i) any objection that Guarantor may have to the laying of venue of any such action or proceeding in any of the said courts, or (ii) any claim that it may have that any such action or proceeding has been brought in an inconvenient forum. Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this paragraph shall affect the right of Landlord to serve legal process in any manner permitted by law or the right of Landlord to bring any action or proceeding against the Guarantor or Guarantor's properties in the courts of any other jurisdiction or jurisdictions; nor shall the bringing of any action or proceeding in any one or more jurisdictions preclude the bringing of any other action or proceeding in any other jurisdiction. In

addition, and for the purposes of enforcing any judgment, Guarantor irrevocably consents to the jurisdiction of the courts of any jurisdiction where assets or properties of Guarantor are located.

12. While this Guaranty is in effect, it shall apply to the Lease and to any renewal or extension, amendment or modification thereof, without any consent of Guarantor, it being intended that this Guaranty shall include and apply to any such extension or renewal and amendment or modification of the Lease as well as to the original terms thereof.

13. Any notices under this Guaranty must be in writing and must be sent by (i) personal delivery, (ii) by United States registered or certified mail (postage prepaid), (iii) by electronic mail or facsimile (with a copy sent the same day by one of the other prescribed methods of delivery) or (iv) by an independent overnight courier service, addressed to the addresses specified below or at such other place as a party may designate to the other parties by written notice given in accordance with this Section. Notices given by registered or certified mail are deemed effective three (3) Business Days (defined as every calendar day Monday through Friday, inclusive, but excluding legal holidays of the United States and the State of Michigan) after the party sending the notice deposits the notice with the United States Post Office. Notices given by electronic mail or facsimile are deemed effective on the Business Day transmitted (or, if transmitted on a day that is not a Business Day, then on the next occurring Business Day). Notices delivered by overnight courier are deemed effective on the next Business Day after the day the party delivering the notice timely deposits the notice with the courier for overnight (next day) delivery.

If to Landlord: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Glenn Pierce
Facsimile: (310) 272-1581
Email: gpierce@canyonagassi.com

With Copies to: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Bari Cooper Sherman, Esq.
Facsimile: (310) 272-1537
Email: bsherman@canyonagassi.com

And to: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Antonio Gonzales
Facsimile: (310) 272-1490
Email: agonzales@canyonagassi.com

And to: Quarles & Brady LLP
411 East Wisconsin Avenue
Suite 2350

Milwaukee, WI 53202
Attn: Michael J. Ostermeyer
Facsimile: (414) 978-8956
Email: michael.ostermeyer@quarles.com

If to Guarantor: Lighthouse Academies, Inc.
1661 Worcester Road
Suite 207
Framingham, MA 01701
Attention: Michael Ronan
Facsimile: (508) 626-0905
Email: mronan@lighthouse-academies.org

With Copy to: Southwest Detroit Lighthouse Charter Academy
163 Madison Street
Room 250
Detroit, MI 48226
Attn: Principal
Facsimile: _____
Email: _____@lighthouse-academies.org

And to: Lighthouse Academies, Inc.
1661 Worcester Road
Framingham, MA 01701
Attention: C. Anne LaTarte
Facsimile: (508) 626-0905
Email: alatarte@lighthouse-academies.org

Any notice by either party hereto, whether required or permissible hereunder, may be given by such party's then-current attorney, which notice, when given by such attorney, shall be deemed equally as effective as if given by such party directly. Any notice by either party hereto, whether required or permissible hereunder, may be given by such party's then-current attorney, which notice, when given by such attorney, shall be deemed equally as effective as if given by such party directly.

14. This Guaranty shall inure to the benefit of and may be enforced by Landlord, its successors and assigns, and shall be binding upon and be enforceable against Guarantor and its successors and assigns.

15. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of Michigan applicable to agreements made and to be performed in said jurisdiction, and without the aid of any canon or rule or law requiring construction against the party preparing or causing this Guaranty to be prepared. The invalidity or unenforceability of any provision hereof shall not affect or impair any other provisions.

16. This instrument may not be changed, modified, discharged or terminated orally or in any manner other than by an agreement in writing signed by Guarantor and Landlord.

[Signatures begin on next page.]

IN WITNESS WHEREOF, Guarantor has duly executed this instrument as of the date first above written.

GUARANTOR:
Lighthouse Academies, Inc.

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT D

Development Summary

The Landlord will develop the Premises for the Tenant per the Development Summary outlined below and the contract documents prepared by the Architect. The building will be delivered to the Tenant with all utilities and Landlord provided equipment in functioning order and all utility contracts, service agreements, monitoring agreements, and all other building services will be the responsibility of the Tenant. Furniture, fixtures, and equipment are the responsibility of the Tenant and the installation will be coordinated with the Landlord per the Lease so as not to hinder construction progress and completion of the Landlord's work or violation of any local laws and regulations. Upon completion of the work, Landlord and Contractor will coordinate training on building systems and warranties with Tenant's staff.

Classrooms

1. Standard Classrooms (20)
 - a. 750 SF (Sizes are estimates)
 - b. Tenant to provide all FF&E unless otherwise noted
 - c. Classrooms should be wired for power, voice and data. (2) Voice, (2) Data for teacher, plus power outlet on wall or in ceiling space for wireless bridges/routers. Additional power outlet and (1) data jack for Smartboard. Phone hardware and Smartboards provided by Tenant (see IT specs if applicable)
 - d. (1) 4'x8' whiteboards and (1) 4'x8' tack board mounted
 - e. No built-in cabinetry or fixtures. Cubbies or other storage and area rugs to be part of FF&E package and must be removable if needed and provided by Tenant.
 - f. Clock in each classroom – linked wirelessly to centrally-controlled clock or freestanding
 - g. Blinds on exterior windows
 - h. Doors to have vision panel/window
 - i. Motion sensors for lights
2. Title-1 (1)
 - a. 580 SF approximately
 - b. Standard Classroom specs
3. Art (1)
 - a. 900 SF Approximately
 - b. Standard Classroom specs
 - c. Kitchen style Sink (1) mounted into countertop
 - d. Built in base cabinets along sink wall and overhead cabinets 6 feet total
4. Music (1)
 - a. 900 SF Approximately
 - b. Standard Classroom specs
5. Science (1)
 - a. Standard Classroom specs
 - b. Casework to be included as allowance in construction budget
6. Computer Lab (1)
 - a. Sufficient power to accommodate multiple computers
 - b. Standard Classroom specs
7. Language Arts (1)
 - a. Standard Classroom specs

8. Tutor Room (2)
 - a. Standard Classroom specs

Auxiliary Spaces

1. Administration
 - a. Reception area with buzzer door for security.
 - b. (1) Principal Office
 - c. (1) Director Office
 - d. (1) Assistant Principal Office
 - e. Teacher Lounge
 - i. Power for commercial refrigerator 110V 20A
 - f. Workroom
 - g. LHA Office
 - h. Parent Room
 - i. Nurse Office
 - j. Faculty Restroom (1) unisex with "Occupied/Vacant" hardware
 - k. Conference Room
 - l. Storage Room
2. Restrooms (2 Boys and 2 Girls "East and West Wings")
 - a. VCT floors with rubber cove base
 - b. Ceramic tile at wet walls up to 6 feet, painted block on remainder
 - c. Low Flow urinals and flush valve toilets
 - d. Toilet partitions made of recycled materials (HDPE)
 - e. Floor drain
 - f. Turbo air hand dryer
 - g. Motion sensors for lights
3. Server Room (to be located in administration area)
 - a. Ideally located away from water lines and restrooms
 - b. Two walls covered with 1" backboard plywood fire resistant painted
 - c. VCT flooring with rubber cove base
 - d. Dedicated A/C to keep cool (1-ton mini-split system)
4. Storage
 - a. Provide storage as available for office supplies, files, books, etc.
5. Janitorial closet
 - a. Mop sink with hot water
 - b. Storage shelves for cleaning chemicals
 - c. FRP on all walls at least up to 6 ft.
6. Hallways
 - a. 8 ft. width minimum
 - b. Paint on corners
 - c. Speakers for bells and intercom announcements if applicable
7. Kitchen
 - a. Per mutually agreed upon specifications
8. Multipurpose Space
 - a. Double Height space
 - b. Approximately 3,900 square feet
 - c. Sound dampened roof decking

9. Library
 - a. Approximately 1,100 SF
 - b. Standard classroom finishes

Outdoor Space

1. Self standing flag pole
2. Hose bib
3. Roof Utilities
 - a. Convenience outlet
4. Key Plan
 - a. Card key access for exterior doors with master key backup
 - b. Main Entry door to be provided with electronic strike hardware and intercom connected to main administration area/receptionist to control access.
 - c. Individual keys to classrooms
 - d. Master keys
5. Outdoor Signage
 - e. Allowance of 10,000 in budget, costs over allowance paid by Tenant
6. Power outlet outside
7. Speakers for bells and intercom announcements
8. Canyon-Agassi has ability to provide and mount plaque or signage recognizing developer and financing for project
9. City-required parking designations and exterior lighting with photo sensor or connected to timers

Interior Finishes

1. Semi-gloss paint
2. No white paint in the hallways in low areas unless requested by Tenant
3. Administration area shall be carpeted. All carpet to be recycled.
4. VCT floors with rubber cove base
5. Standard classroom number signs and ADA-compliant restroom signs
6. Clock system with intercom system
7. Building to be provided with telephone and communications wiring, cabling, routing, and drops/outlets (excludes tenant-provided telephone equipment service provider switch and any computer servers or network machines and equipment)

Exterior Finishes

1. Pre-colored masonry. Color shall be mutually agreed to by Landlord and Tenant

Security

1. Alarm
 - a. Single panel with keypad, Tenant responsible for monitoring contract
2. Secure perimeter
 - a. Door contacts backed
 - b. Motion sensors
 - c. Outdoor siren strobes
3. Secure classrooms with windows
 - a. Glass break sensors on lower floors, budget allowing
4. Surveillance Cameras
 - a. Low-light sensitive cameras watching main entrance and secondary entrance
 - i. 110V AC & CAT 5
 - b. Cameras watching parking areas
 - i. 110V AC & CAT 5
5. Alarm Controls
 - a. Keypads in the following areas
 - i. Main administration entrance lobby
6. Facility
 - a. Semi-permeable perimeter fencing
 - b. Vandal and theft resistant door hardware

Fire, Life and Safety

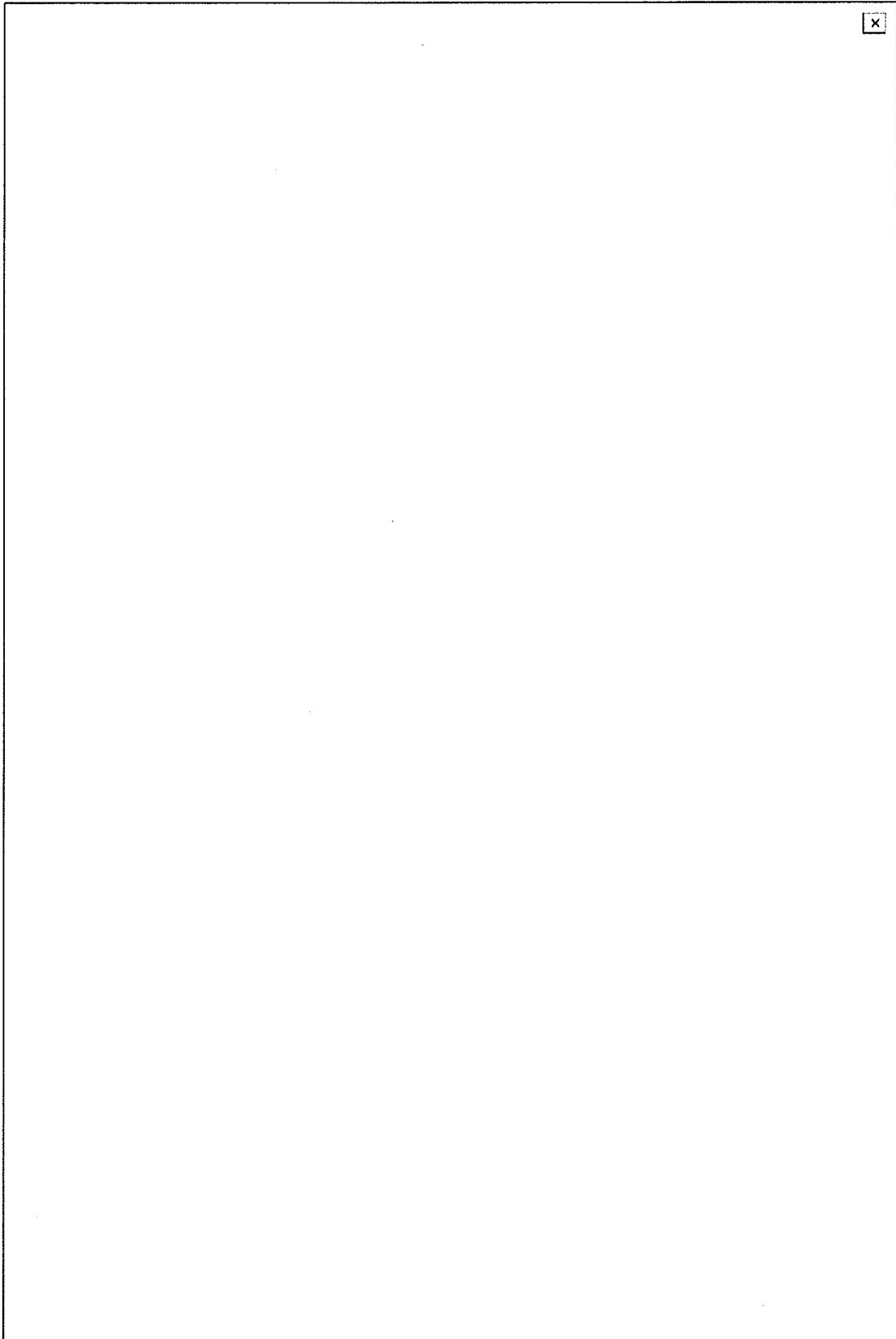
1. Single panel FACP with (2) voice jacks. Tenant responsible for monitoring contract
2. Exterior and interior strobes
3. Fire extinguisher and smoke detector and strobes in every classroom

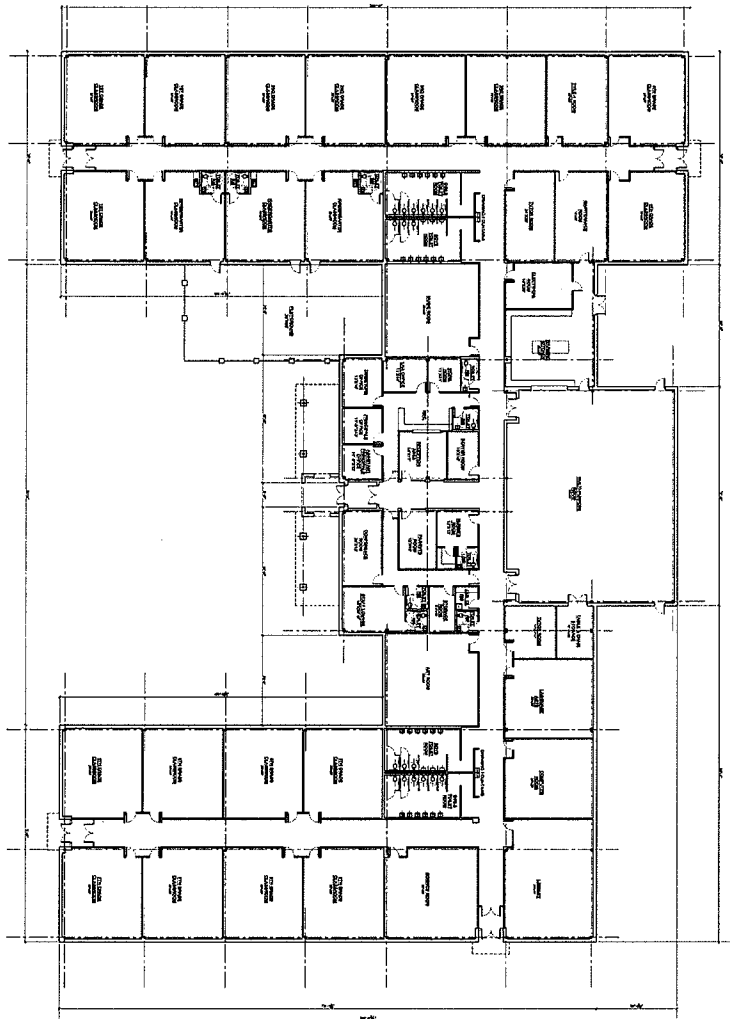
Bus Requirements:

1. Drop off/pick up area that accommodates buses shall be located in the Right of Way

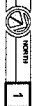
Buses differ at each site. Confirm sizes and number with Principal to verify pickup and drop off plans

EXHIBIT E
Schematic Plans





PRELIMINARY FLOOR PLAN
SCALE: 1/8" = 1'-0"

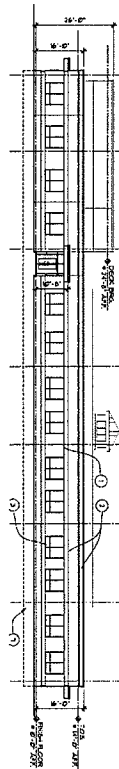


TOTAL BUILDING SQUARE FOOTAGE: 42,783 S.F.

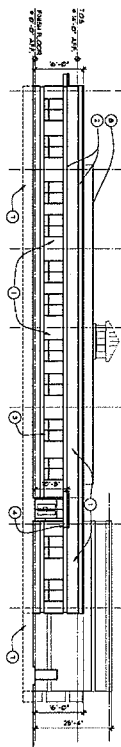
DATE: 12-13-13	REVISION: 1
PROJECT: 12063	PROJECT NAME: PFP-5
PROJECT NUMBER: 12063	PROJECT NAME: PFP-5

Proposed Facility for Lighthouse Academy of Southwest Detroit Detroit, Michigan

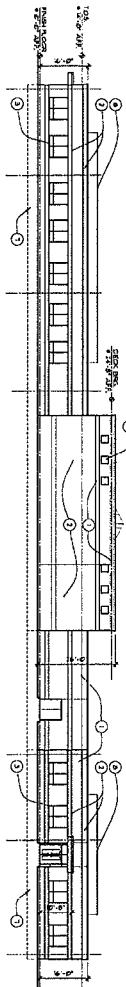
FAUDIE
ARCHITECTURE
1000 1ST AVE
SUITE 1000
DETROIT, MI 48226
313.963.1111
www.faudie.com

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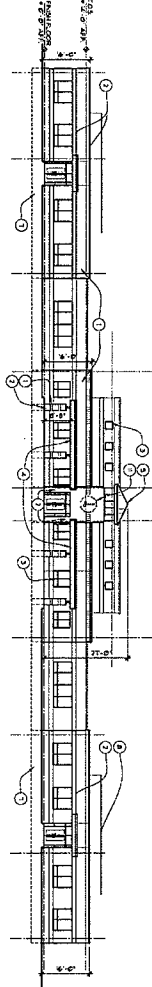
SCALE: 1/8" = 1'-0"



SCALE: 1/16" = 1'-0"



SCALE 1115 • P. 07



SCALE: VIF = 1.00

SCHEDULE E-1

Budget

Tenant: Lighthouse Detroit
 Name: CA 4041 29th St LLC
 Address: 4041 29th Street
 City/State/Zip: Detroit, MI 48210

DEVELOPMENT BUDGET

	DEVELOPMENT
First Floor TI and Systems	41,000 sf
Second Floor and Mezzanine	0 sf
GYM/MPR	0 sf
TOTAL SQUARE FOOTAGE	41,000 sf

kids at maturity
475

	Cost / sf	Total Cost
ACQUISITION		
Purchase Price	\$ 7.32	\$ 300,000
Capitalized Property Maintenance Expenses	\$ -	\$ -
Owner Relocation Expenses	\$ -	\$ -
Other Acquisition Costs #1: Closing costs	\$ 0.12	\$ 5,000
Other Acquisition Costs #2	\$ -	\$ -
Acquisition Costs - Legal Fees	\$ -	\$ -
SUBTOTAL: ACQUISITIONS	\$ 7.44	\$ 305,000

HARD COSTS		
First Floor TI and Systems	\$ 96.37	\$ 3,951,211
Second Floor TI	\$ 4.88	\$ 200,000
Mezzanine	\$ -	\$ -
GYM/MPR	# DIV/0!	\$ -
Signage	\$ 0.24	\$ 10,000
Sidewalk	\$ 30.10	\$ 1,234,300
Other Hard Costs: Data & Security	\$ 8.01	\$ 329,500
SUBTOTAL: HARD COSTS	\$ 139.61	\$ 5,724,011

10% Contingency	\$ 13.96	\$ 572,401
TOTAL: HARD COSTS	\$ 153.57	\$ 6,296,412

SOFT COSTS		
ACM/USP Report	\$ 0.07	\$ 3,000
Appraisal - As-Improved Pre-Construction	\$ -	\$ -
Appraisal - As-Improved Post-Construction	\$ 0.16	\$ 6,500
Appraisal - As-Is	\$ 0.10	\$ 4,000
Architecture / Engineering	\$ 4.39	\$ 189,000
Civil Engineering	\$ -	\$ -
Construction Loan - Construction Inspector	\$ 0.48	\$ 19,800
Construction Loan - Lender Legal	\$ 0.61	\$ 25,000
Construction Loan - Other Legal	\$ -	\$ -
Development Fee	\$ 3.17	\$ 130,000
Environmental: Air Quality Study	\$ -	\$ -
Environmental: Noise Study	\$ -	\$ -
Environmental: Phase I Site Assessment	\$ 0.06	\$ 2,400
Environmental: Phase II Site Assessment	\$ 0.22	\$ 9,000
Environmental: Rail Derailment Study	\$ -	\$ -
Environmental: Soils Report	\$ 0.11	\$ 4,675
Environmental: Traffic Study	\$ 0.04	\$ 1,500
Holding Costs - Miscellaneous	\$ -	\$ -
Insurance - Builder's Risk	\$ 0.12	\$ 5,000
Insurance - General Liability	\$ 0.83	\$ 34,185
Insurance - Umbrella	\$ -	\$ -
Insurance - Environmental	\$ 1.22	\$ 50,000
Insurance - Property / Hazard	\$ -	\$ -
Land Use/Planning Consultant	\$ 0.09	\$ 3,500
LEED/CHPS Commissioner	\$ -	\$ -
LEED/CHPS Consultant	\$ -	\$ -
Legal Construction	\$ 0.24	\$ 10,000
Deferred Leasing Costs	\$ 1.10	\$ 45,000
LLC Holding Costs	\$ 0.05	\$ 2,000
Local Permit Fees	\$ 1.10	\$ 45,000
Property Condition Report	\$ -	\$ -
Security - Site	\$ 1.45	\$ 59,500
Seismic Probable Maximum Loss Report	\$ -	\$ -
Survey - ALTA/Topographic Update	\$ 0.15	\$ 6,200
Taxes - Real Property	\$ 0.29	\$ 12,000
Utilities	\$ 0.05	\$ 2,000
Title Policy	\$ 0.12	\$ 5,000
Transfer Taxes	\$ -	\$ -
ACOM Field Inspection	\$ -	\$ -
P&P Bond	\$ 0.36	\$ 14,882
Dep. Inspection & Geotech	\$ -	\$ -
Travel and Admin	\$ 0.37	\$ 15,000
Other Consultants	\$ -	\$ -
Reimbursable Expenses to CMO	\$ -	\$ -
Testing: Concrete, Steel	\$ -	\$ -
Capitalized Origination Fee	\$ 0.98	\$ 40,345
Capitalized Loan Closing Costs	\$ 0.20	\$ 8,069
Capitalized Interest Expense	\$ 0.99	\$ 40,408
SUBTOTAL: SOFT COSTS	\$ 19.12	\$ 789,964

10% Contingency	\$ 1.91	\$ 78,396
TOTAL: SOFT COSTS	\$ 21.03	\$ 862,361

TOTAL PROJECT COSTS	\$ 182.04	\$ 7,463,773
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Budget Summary	Costs	Per Sq Ft	% of Total	Per Seat
Acquisition Cost	\$ 305,000	\$7.4	4.1%	
Hard Costs	\$ 5,724,011	\$139.6	76.7%	
Soft Costs	\$ 789,964	\$19.1	10.5%	
Total Project Costs (before Contingencies)	\$ 6,812,975	\$162.2	91.3%	\$14,943.1
Hard Cost Contingencies	\$ 572,401	\$14.0	7.7%	
Soft Cost Contingencies	\$ 78,396	\$1.9	1.1%	
Total Project Costs	\$ 7,463,773	\$182.0	100.0%	\$15,713.2

EXHIBIT F
Option to Purchase

CA DETROIT 4001 29S LLC ("**Optionor**"), for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell and convey to SOUTHWEST DETROIT LIGHTHOUSE CHARTER ACADEMY ("**Optionee**"), an option (the "**Option**") to purchase that certain parcel of land located in the City of Detroit, Wayne County, State of Michigan (the "**Property**") more particularly described in Attachment 1 attached hereto and incorporated herein, together with all buildings, improvements and fixtures located thereon and all rights and privileges and appurtenances pertaining thereto and subject to all easements, restrictions and agreements of record and to the terms and conditions hereinafter set forth.

1. The Option Period. The Option may only be exercised by Optionee during the period commencing with the [thirty-seventh (37th)] full calendar month of the "Term" established in accordance with the Lease identified herein and ending after completion of the [seventy-second (72nd)] full calendar month of the Term (the "**Option Period**").

2. Exercise of Option. The Option shall be exercised in the following manner:

(a) During the Option Period, Optionee shall deliver to Optionor written notice (the "**Notice of Exercise**"), which notice shall expressly indicate that Optionee is exercising the Option. The Notice of Exercise shall set forth a closing date for the consummation of the conveyance of the Property to Optionee, which closing date shall be a Business Day (as defined in the Lease) occurring no earlier than twenty (20) and no later than sixty (60) Business Days after Optionor's receipt of the Notice of Exercise (the "**Closing Date**").

(b) The delivery of the Notice of Exercise shall be deemed an irrevocable obligation of Optionee to purchase the Property, and of Optionor to sell the Property, pursuant to all other terms and conditions set forth herein.

(c) The Notice of Exercise shall be accompanied by two (2) originals of the Sale Agreement attached hereto as Attachment 2, duly executed by Optionee.

(d) Notwithstanding anything to the contrary contained herein, this Option shall terminate upon a termination of that certain Lease dated as of February 15, 2013, by and between Optionor, as landlord, and Optionee, as tenant, pursuant to which Optionor leases the Property to Optionee (the "**Lease**"). Capitalized terms used herein and not otherwise defined in this Option shall have the meanings given them in the Lease.

(e) Optionee shall have no right to deliver the Notice of Exercise during the existence of an Event of Default (as defined in the Lease), and Optionee's inability to deliver the Exercise Notice as a result shall not extend the Option Period.

3. Purchase Price. The purchase price (the "**Purchase Price**") for the Property is as provided (including as adjusted) under Section 2.4 of the Lease.

4. Notices. Any notices under this Option must be in writing and must be sent by (i) personal delivery, (ii) by United States registered or certified mail (postage prepaid), (iii) by electronic mail or facsimile (with a copy sent the same day by one of the other prescribed methods of delivery) or (iv) by an independent overnight courier service, addressed to the addresses specified below or at such other place as a party may designate to the other parties by written notice given in

accordance with this Section. Notices given by registered or certified mail are deemed effective three (3) Business Days after the party sending the notice deposits the notice with the United States Post Office. Notices given by electronic mail or facsimile are deemed effective on the Business Day transmitted (or, if transmitted on a day that is not a Business Day, then on the next occurring Business Day). Notices delivered by overnight courier are deemed effective on the next Business Day after the day the party delivering the notice timely deposits the notice with the courier for overnight (next day) delivery.

If to Optionor: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Glenn Pierce
Facsimile: (310) 272-1581
Email: gpierce@canyonagassi.com

With Copies to: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Bari Cooper Sherman, Esq.
Facsimile: (310) 272-1537
Email: bsherman@canyonagassi.com

And to: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Antonio Gonzales
Facsimile: (310) 272-1490
Email: agonzales@canyonagassi.com

And to: Quarles & Brady LLP
411 East Wisconsin Avenue
Suite 2350
Milwaukee, WI 53202
Attn: Michael J. Ostermeyer
Facsimile: (414) 978-8956
Email: michael.ostermeyer@quarles.com

If to Optionee: Southwest Detroit Lighthouse Charter Academy
163 Madison Street
Room 250
Detroit, MI 48226
Attn: Principal
Facsimile: _____
Email: _____@lighthouse-academies.org

With Copy to: Lighthouse Academies, Inc.

1661 Worcester Road
Framingham, MA 01701
Attention: C. Anne LaTarte
Facsimile: (508) 626-0905
Email: alatarte@lighthouse-academies.org

Any notice by either party hereto, whether required or permissible hereunder, may be given by such party's then current attorney, which notice, when given by such attorney, shall be deemed equally as effective as if given by such party directly.

5. Time Is of the Essence. Time is of the essence of each provision of this Option.

6. Multiple Counterparts. This Option may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

7. Assignment.

(a) Other than in connection with an assignment of Optionee's interest under the Lease in accordance with the Lease, Optionee may not assign this Option or its rights hereunder to any individual or entity without the prior written consent of Optionor, which consent Optionor may grant or withhold in its sole and absolute discretion, and any such assignment shall be null and void *ab initio*. Any transfer, directly or indirectly, of any stock, partnership interest or other ownership interest in Optionee shall constitute an assignment of this Option.

(b) Notwithstanding the foregoing, Optionee may assign this Option and its rights hereunder to any Tenant Affiliate (as defined in the Lease), provided: (i) that Optionee shall not, on the effective date of such assignment, be in default of any term, covenant, or condition of the Lease; (ii) that Optionee shall effect any assignment to a Tenant Affiliate by means of a written instrument in form and substance reasonably acceptable to Optionor, which instrument shall be signed by Optionee and its assignee, and acknowledged by Optionor; and (iii) that the requisite written assignment shall recite Optionor's covenant to remain fully liable for payment and performance of all terms, covenants, and conditions of this Option.

8. Attorneys' Fees. Should any action or other proceeding be necessary to enforce any of the provisions of this Option or the various obligations or transactions contemplated hereto, or in the event of any dispute between the Parties relating to this Option, the prevailing party will be entitled to recover, in addition to any other relief to which such party may be entitled, its actual attorneys' fees and costs, and all referee and reference proceeding fees, costs and expenses, incurred in connection with the prosecution or defense, as the case may be, of such action.

9. Waiver of Jury Trial. Optionor and Optionee, by their respective acceptances hereof, hereby agree to waive their respective rights to a jury trial of any claim or cause of action based upon or arising out of this Option or any dealings between the Parties relating to the subject matter of this Option. In the event of litigation, this Option may be filed as a written consent to a trial by the court without a jury.

10. Governing Law. This Option shall be governed by the laws of the State in which the Property is located.

11. Email or Facsimile Signatures. Signatures to this Option transmitted by electronic mail or facsimile shall be valid and effective to bind the party so signing. Each party hereto agrees to promptly deliver an executed original of this Option with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Option, it being expressly agreed that each party to this Option shall be bound by its own emailed or facsimile signature and shall accept the emailed or facsimile signature of the other party to this Option.

IN WITNESS WHEREOF, this Option has been executed as a sealed instrument as of this ____ day of _____, 2013.

[Signatures begin on next page.]

OPTIONOR:

**CA DETROIT 4001 29S LLC,
a Delaware limited liability company**

By: _____

Name:

Title:

OPTIONEE:

**SOUTHWEST DETROIT LIGHTHOUSE
CHARTER ACADEMY,
a Michigan nonprofit corporation**

By: _____

Name:

Title:

Attachment 1 to Exhibit F

Legal Description of the Property

Lands situated in the City of Detroit, County of Wayne, State of Michigan, described as follows:

Lots 39 through 54, both inclusive, West of 29th Street, including the adjacent vacated alley lying West of the West lines of Lots 39 through 53 and lying West of the West line of the South 11.20 feet of Lot 54, in Private Claim 30 of HAMMOND & RICH'S SUBDIVISION, as recorded in Liber 6 of Plats, Page 67, Wayne County Records.

ALSO,

Lots 28 through 43, both inclusive, and Lots 78 through 93, both inclusive, together with the part of vacated 30th Street which is North of Jackson Street, as platted, being adjacent to said Lots, also including the Easterly 3 feet of the North-South alley adjacent to said Lots 28 to 43, both inclusive, and the Westerly 3 feet of the North-South alley adjacent to said Lots 78 to 93, both inclusive, all of HERBERT BOWEN & GEORGE T. ABREY'S SUBDIVISION, as recorded in Liber 15 of Plats, Page 57, Wayne County Records.

ALSO,

Lots 21 through 36, and the North 20.1 feet of Lot 37, including the adjacent vacated alley lying East of the East lines of Lots 22 through 37 and lying East of the East line of the South 8.90 feet of Lot 21, of SCRIPPS AND BREARLEY'S SUBDN, as recorded in Liber 6 of Plats, Page 61, Wayne County Records. Except any other part of Lot 37 taken for street widening.

Attachment 2 to Exhibit F

Form of Sale Agreement

THIS SALE AGREEMENT (this "**Agreement**"), effective as of _____, 20__ (the "**Purchase Option Date**"), by and between CA DETROIT 4001 29S LLC, a Delaware limited liability company ("**Seller**"), and SOUTHWEST DETROIT LIGHTHOUSE CHARTER ACADEMY, a Michigan nonprofit corporation ("**Buyer**"). For purposes of this Agreement, the Seller Parties (as defined below) and the Buyer Parties (as defined below) shall together be known as the "**Parties**," and each shall be known as a "**Party**."

W I T N E S S E S:

For other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties do hereby agree as follows:

ARTICLE 1
SALE OF PROPERTY

Seller agrees to sell, transfer and assign and Buyer agrees to purchase, accept and assume, subject to the terms and conditions set forth in this Agreement, all of Seller's right, title and interest in and to the real property located at 4001 29th Street in the City of Detroit, Wayne County, State of Michigan (such real property being more particularly described on the Addendum A attached to and made a part of this Agreement), together with the building located thereon, and all fixtures and improvements located therein and thereon as of the Closing Date (altogether, the "**Property**").

ARTICLE 2
PURCHASE PRICE

2.1 Purchase Price. The purchase price for the Property shall be \$ _____ (the "**Purchase Price**"). The Purchase Price shall be payable as provided in Section 2.2. [Note: Purchase Price to be established in accordance with the Option to Purchase Real Estate dated as of _____, 2013 between Seller, as Optionor, and Buyer, as Optionee.]

2.2 Payment of Purchase Price. Upon the complete execution and delivery of this Agreement, Buyer shall remit to the Title Company (as defined below) (the "**Escrow Agent**") a sum equal to three percent (3%) of the Purchase Price (the "**Deposit**"), which Deposit shall be held in escrow for application and disbursement as the Deposit under the terms of this Agreement. At Closing, the balance of the Purchase Price in excess of the Deposit, plus or minus any prorations, shall be payable by Buyer to Seller in immediately available funds. This sale shall be closed through Escrow Agent on terms reasonably acceptable to Buyer and Seller.

The Deposit shall be held by the Escrow Agent in an interest-bearing account in a financial institution mutually satisfactory to the Parties. Buyer and Seller hereby acknowledge and agree that the Deposit and all interest earned on the Deposit is, as of the Effective Date, fully-earned by the Seller and is non-refundable in all circumstances (although applicable to the Purchase Price at Closing), except as expressly provided in Sections 6.1 and 6.2 hereof. If the sale of the Property shall be consummated, the Deposit and all interest earned thereon at Closing shall be paid to Seller and credited against the Purchase Price. The Parties shall equally share all fees of the Escrow Agent for its services as escrow agent hereunder.

ARTICLE 3
AS-IS SALE

3.1 As-Is Sale. Buyer is the lessee of the Property and is intimately familiar with all aspects of the Property. Buyer acknowledges and agrees as follows: (i) the Property shall be sold, and Buyer shall accept possession of the Property on the Closing Date, "AS IS, WHERE IS, WITH ALL FAULTS", with no right of setoff or reduction in the Purchase Price, (ii) except as set forth in Section 7.2, none of the Seller or its agents, advisors, officers, directors employees, affiliates, members, constituent partners, managers or representatives (collectively, "**Seller Parties**") have or shall be deemed to have made any verbal or written representations, warranties, promises or guarantees (whether express, implied, statutory or otherwise) to Buyer with respect to the Property, (iii) Buyer has independently confirmed to its satisfaction all information that it considers material to its purchase of the Property, and (iv) Buyer expressly understands and acknowledges that it is possible that unknown problems, conditions, losses, costs, damages, claims, liabilities, expenses, demands and obligations may exist with respect to the Property (clauses (i), (ii), (iii) and (iv), the "**Liabilities**") and that Buyer explicitly took that possibility into account in determining and agreeing to the Purchase Price, and that a portion of such consideration, having been bargained for between Parties with the knowledge of the possibility of such unknown Liabilities shall be given in exchange for a full accord and satisfaction and discharge of all such Liabilities.

3.2 Release. BUYER HEREBY RELEASES EACH OF THE SELLER PARTIES FROM, AND WAIVES ANY AND ALL LIABILITIES AGAINST EACH OF THE SELLER PARTIES, WHETHER ARISING OR ACCRUING BEFORE, ON OR AFTER THE DATE HEREOF AND WHETHER ATTRIBUTABLE TO EVENTS OR CIRCUMSTANCES WHICH HAVE HERETOFORE OR MAY HEREAFTER OCCUR. WITHOUT LIMITATION ON THE GENERALITY OF THE FOREGOING, THE FOREGOING RELEASE INCLUDES, WITHOUT LIMITATION, A RELEASE OF ANY AND ALL LIABILITIES WITH RESPECT TO (AND LIABILITIES INCLUDE, WITHOUT LIMITATION) THE STRUCTURAL, PHYSICAL, OR ENVIRONMENTAL CONDITION OF THE PROPERTY; AND ANY AND ALL LIABILITIES RELATING TO THE RELEASE OF OR THE PRESENCE, DISCOVERY OR REMOVAL OF ANY SUBSTANCE, CHEMICAL, WASTE OR MATERIAL THAT IS OR BECOMES REGULATED BY ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL AUTHORITY BECAUSE OF ITS TOXICITY, INFECTIOUSNESS, RADIOACTIVITY, EXPLOSIVENESS, IGNITABILITY, CORROSIVENESS OR REACTIVITY, INCLUDING, WITHOUT LIMITATION, ASBESTOS OR ANY SUBSTANCE CONTAINING MORE THAN 0.1 PERCENT ASBESTOS, THE GROUP OF COMPOUNDS KNOWN AS POLYCHLORINATED BIPHENYLS, FLAMMABLE EXPLOSIVES, OIL, PETROLEUM OR ANY REFINED PETROLEUM PRODUCT (COLLECTIVELY, "**HAZARDOUS MATERIALS**") IN, AT, ABOUT OR UNDER THE PROPERTY, OR FOR, CONNECTED WITH OR ARISING OUT OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON CERCLA (COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980, 42 U.S.C. §§9601 *ET SEQ.*, AS AMENDED BY SARA (SUPERFUND AMENDMENT AND REAUTHORIZATION ACT OF 1986) AND AS MAY BE FURTHER AMENDED FROM TIME TO TIME), THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976, 42 U.S.C. §§6901 *ET SEQ.*, OR ANY RELATED CLAIMS OR CAUSES OF ACTION OR ANY OTHER FEDERAL, STATE OR MUNICIPAL BASED STATUTORY OR REGULATORY CAUSES OF ACTION FOR ENVIRONMENTAL CONTAMINATION AT, IN, ABOUT OR UNDER THE PROPERTY. EXCEPT WITH RESPECT TO THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 7.2 BELOW, WITHOUT LIMITATION ON THE GENERALITY OF

THE FOREGOING, NEITHER BUYER NOR ANY OF BUYER'S AFFILIATES NOR ANY OF THEIR REPRESENTATIVES, EMPLOYEES, OFFICERS, DIRECTORS, EMPLOYEES, PARTNERS, AGENTS, CONTRACTORS, SUCCESSORS, ASSIGNS OR INVITEES (COLLECTIVELY, THE "**BUYER PARTIES**") SHALL HAVE ANY CLAIM, RIGHT OR DEFENSE AGAINST SELLER OR ANY OF THE SELLER PARTIES WITH RESPECT TO, IN CONNECTION WITH OR ARISING OUT OF THE PROPERTY, AND BUYER WAIVES, ON BEHALF OF BUYER AND THE BUYER PARTIES, ANY AND ALL SUCH CLAIMS, RIGHTS AND DEFENSES OF BUYER AND THE BUYER PARTIES AND AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND SELLER AND THE SELLER PARTIES FROM AND AGAINST ANY AND ALL SUCH CLAIMS, RIGHTS AND DEFENSES OF BUYER AND THE BUYER PARTIES.

Seller's Initials

Buyer's Initials

ARTICLE 4 **CLOSING COSTS**

Seller shall pay the following costs and expenses associated with the transactions contemplated hereby (the "**Transaction**"): (i) one-half of all recording and filing charges in connection with the instrument by which Seller conveys the Property; (ii) one-half of the escrow or closing charges; and (iii) all fees due its attorneys in connection with the Transaction. Buyer shall pay (i) all premiums and charges of the Title Company for the Title Policy (as hereinafter defined); (ii) all charges for any current survey of the Property required for issuance of the Title Policy; (iii) one-half of all recording and filing charges in connection with the instrument by which Seller conveys the Property; (iv) one-half of the escrow or closing charges; (v) all transfer taxes, sales taxes and similar charges, if any, applicable to the transfer of the Property to Buyer; (vi) all fees due its attorneys in connection with the Transaction, and (vii) all lenders' fees related to any financing to be obtained by Buyer. The obligations of the Parties under this Article 4 shall survive the Closing (and not be merged therein) or any earlier termination of this Agreement.

ARTICLE 5 **CLOSING**

5.1 Closing Date. Closing shall occur on a date mutually agreed by the Parties (the "**Closing Date**"), which Closing Date shall be _____ [SPECIFY DATE not less than twenty (20) nor more than sixty (60) Business Days after the Purchase Option Date]. The Parties shall conduct an escrow-style closing through the Title Company (the "**Escrow Agent**") so that it will not be necessary for any Party to attend the closing of the Transaction.

5.2 Title Transfer and Payment of Purchase Price. Provided all conditions precedent to Seller's obligations hereunder have been satisfied, Seller agrees to convey the Property to Buyer upon confirmation of receipt of the Purchase Price by the Escrow Agent as set forth below. Notwithstanding the foregoing, in addition to its other rights and remedies, Seller shall have the right to terminate this Agreement at any time if such payment is not received in Seller's designated account by 5:00 p.m. local time at the Property on the Closing Date.

5.3 Seller's Closing Deliveries. No later than 5:00 p.m. local time at the Property on the last Business Day (defined as every calendar day Monday through Friday, inclusive, but excluding

legal holidays of the United States and the State of Michigan before the Closing Date, Seller shall deliver or cause to be delivered the following:

(a) Deed. A Special Warranty Deed in the form of Addendum B attached hereto and incorporated herein by this reference (“**Deed**”) executed and acknowledged by Seller, conveying title to the Property in fee simple absolute free and clear of liens and encumbrances except only the following: recorded easements for utilities and for the distribution of municipal services of every kind serving the Property; recorded building and use restrictions; agreements entered into under any municipal, zoning, or building codes or regulations; taxes and assessments, general and special, levied in the year of the Closing and thereafter, not yet due; and the Original Encumbrances (as defined in Section 6.2(c) below).

(b) Bill of Sale. A bill of sale in the form of Addendum C attached hereto and incorporated herein by this reference (“**Bill of Sale**”) executed and acknowledged by Seller.

(c) Non-Foreign Status Affidavit. A non-foreign status affidavit substantially in the form of Addendum D attached hereto and incorporated herein by this reference, as required by Section 1445 of the Internal Revenue Code executed by Seller.

(d) Drawings. To the extent not already obtained by or delivered to Buyer, copies of any survey of the Property and any architectural or engineering drawings of the Property and utilities layout plans in Seller's possession or under its control; provided, however, that Seller makes no representation or warranty with respect to the same.

(e) Warranties. Copies of all assignable warranties and guaranties of the equipment or improvements located at the Property to the extent in Seller's possession or control; provided, however, that Seller makes no representation or warranty with respect to the same.

(f) Title Company Documents. An owner's affidavit, a so-called “gap” affidavit, undertaking or indemnity, as applicable, and a broker lien affidavit, as may be customarily supplied to the Title Company to enable the Title Company to issue the Title Policy; provided, however, that such affidavits, undertakings and/or indemnities shall reflect that Buyer has leased all of the Property before the Closing Date pursuant to that certain Lease Agreement dated as of February 15, 2013 pursuant to which Seller, as Landlord, leased the Property to Buyer, as Tenant (the “**Lease**”)Lease.

(g) Evidence of Authority. Documentation to establish to Buyer's reasonable satisfaction the due authorization of Seller's disposition of the Property and Seller's execution of this Agreement and the documents required to be delivered by Seller and the consummation of the Transaction.

(h) Other Documents. Such other documents as may be reasonably required by the Title Company or may be agreed upon by Seller and Buyer to consummate the Transaction.

5.4 **Buyer's Closing Deliveries**. No later than 5:00 p.m. local time at the Property on the last Business Day before the Closing Date, Buyer shall deliver or cause to be delivered the following:

(a) Purchase Price. The Purchase Price, plus any other amounts required to be paid by Buyer at Closing.

(b) Bill of Sale. The Bill of Sale executed by Buyer.

(c) Evidence of Authority. Documentation to establish to Seller's reasonable satisfaction the due authorization of Buyer's acquisition of the Property and Buyer's execution of this Agreement and the documents required to be delivered by Buyer and the consummation of the Transaction.

(d) Other Documents. Such other documents as may be reasonably required by the Title Company or may be agreed upon by Seller and Buyer to consummate the Transaction.

ARTICLE 6

CONDITIONS TO CLOSING

6.1 Conditions to Seller's Obligations. Seller's obligation to close the Transaction is conditioned on all of the following, any or all of which may be waived by Seller by an express written waiver, at its sole option:

(a) Representations True. All representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent they expressly relate to an earlier date;

(b) Buyer's Financial Condition. No petition has been filed by or against Buyer under the Federal Bankruptcy Code or any similar State or Federal Law, whether now or hereafter existing; and

(c) Buyer's Deliveries Complete. Buyer shall have delivered the funds required hereunder and all of the documents to be executed by Buyer set forth in Section 5.4 and shall have performed all other covenants, undertakings and obligations, and complied with all conditions required by this Agreement, to be performed or complied with by Buyer at or before the Closing Date.

6.2 Conditions to Buyer's Obligations. Buyer's obligation to close the Transaction is conditioned on all of the following, any or all of which may be expressly waived by Buyer in writing, at its sole option:

(a) Representations True. The representations made by Seller in Section 7.2 shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such;

(b) Seller's Deliveries Complete. Seller shall have delivered all of the documents and other items required pursuant to Section 5.3 and shall have performed all other covenants, undertakings and obligations, and complied with all conditions required by this Agreement, to be performed or complied with by Seller at or before the Closing Date.

(c) Title Policy. At Closing, Fidelity National Title Insurance Company, or its successor (the "**Title Company**") shall issue to Buyer an owner's title insurance policy, with customary extended coverage endorsements, in the amount of Buyer's purchase financing, showing title to the Property to be vested in Buyer subject only to (i) taxes and assessments, general and special, not yet due and payable, (ii) any exceptions created by Buyer or any of Buyer's agents, representatives, invitees, employees, contractors or affiliates or anyone claiming by or through any of the foregoing, (iii) exceptions shown on that certain Commitment for Title Insurance number N-107716/12-107716 issued by the Title Company and dated October 3, 2012, (iv) agreements entered into under any municipal, zoning, or building codes or regulations, and (v) exceptions necessary to permit the use of the Property for the uses permitted under the Lease ((i)-(v) altogether being known as the "**Original Encumbrances**") (the "**Title Policy**").

6.3 **Waiver of Failure of Conditions Precedent**. At any time or times on or before the date specified for the satisfaction of any condition, Seller or Buyer may elect in writing to waive the benefit of any such condition set forth in Section 6.1 or Section 6.2, respectively. By closing the Transaction, Seller and Buyer shall be conclusively deemed to have waived the benefit of any remaining unfulfilled conditions set forth in Section 6.1 and Section 6.2, respectively. If any of the conditions set forth in Sections 6.1 or 6.2 are neither waived nor fulfilled, Seller or Buyer (as appropriate) may exercise such rights and remedies, if any, that such Party may have pursuant to the terms of Article 9 hereof.

6.4 **Waiver of Tender of Deed and Purchase Monies**. The tender of an executed Deed by Seller and the tender by Buyer of the portion of the Purchase Price payable at Closing are mutually waived, but nothing in this Agreement shall be construed as a waiver of Seller's obligation to deliver the Deed and/or of the concurrent obligation of Buyer to pay the portion of the Purchase Price payable at Closing.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES

7.1 **Buyer's Representations**. Buyer represents and warrants to, and covenants with, Seller as follows:

7.1.1 Buyer's Authorization. Buyer (i) is duly organized (or formed), validly existing and in good standing under the laws of its State of organization and, to the extent required by law, the State in which the Property is located, (ii) is authorized to consummate the Transaction and fulfill all of its obligations hereunder, and (iii) has all necessary power to execute and deliver this Agreement and all documents contemplated hereby to be executed by Buyer, and to perform all of Buyer's obligations hereunder and thereunder. This Agreement and all Closing Documents to be executed by Buyer have been duly authorized by all requisite partnership, corporate or other required action on the part of Buyer and are the valid and legally binding obligation of Buyer, enforceable in accordance with their respective terms. Neither the execution and delivery of this Agreement or any other document to be executed by Buyer, nor the performance of the obligations of Buyer hereunder or thereunder will result in the violation of any Law or any provision of the organizational documents of Buyer or will conflict with any order or decree of any court or governmental instrumentality of any nature by which Buyer is bound.

7.1.2 Buyer's Financial Condition. No petition has been filed by or against Buyer under the Federal Bankruptcy Code or any similar State or Federal Law.

7.1.3 PATRIOT Act Compliance. Neither Buyer nor, to Buyer's actual knowledge, any person, group, entity or nation that Buyer is acting, directly or indirectly for, or on behalf of, is named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or is otherwise a banned or blocked person, group, entity, or nation pursuant to any Law that is enforced or administered by the Office of Foreign Assets Control, and Buyer is not engaging in this Transaction, directly or, to Buyer's actual knowledge, indirectly, on behalf of, or instigating or facilitating this Transaction, directly or, to Buyer's actual knowledge, indirectly, on behalf of, any such person, group, entity or nation. Buyer is not engaging in this Transaction, directly or indirectly, in violation of any Laws relating to drug trafficking, money laundering or predicate crimes to money laundering. None of the funds of Buyer have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in Buyer is prohibited by Law or that the Transaction or this Agreement is or will be in violation of Law. Buyer has and shall continue to implement procedures, and has consistently and shall continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times before Closing.

7.2 Seller's Representations.

7.2.1 Seller's Authorization. Seller represents and warrants to Buyer that Seller (i) is duly organized (or formed), validly existing and in good standing under the laws of its State of organization and, to the extent required by law, the State in which the Property is located, (ii) is authorized to consummate the Transaction and fulfill all of its obligations hereunder and under all documents to be executed by Seller pursuant hereto, and (iii) has all necessary power to execute and deliver this Agreement and such other documents to be executed by Seller, and to perform all of Seller's obligations hereunder and thereunder. This Agreement and all documents to be executed by Seller pursuant hereto have been duly authorized by all requisite partnership, corporate or other required action on the part of Seller and are the valid and legally binding obligation of Seller, enforceable in accordance with their respective terms. Neither the execution and delivery of this Agreement or the other documents to be executed by Seller pursuant hereto, nor the performance of the obligations of Seller hereunder or thereunder will result in the violation of any Law or any provision of the organizational documents of Seller or will conflict with any order or decree of any court or governmental instrumentality of any nature by which Seller is bound.

7.2.2 Seller's Financial Condition. No petition has been filed by or against Seller under the Federal Bankruptcy Code or any similar State or Federal Law.

7.2.3 PATRIOT Act Compliance. Neither Seller nor to Seller's actual knowledge, any person, group, entity or nation that Seller is acting, directly or indirectly for, or on behalf of, is named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or is otherwise a banned or blocked person, group, entity, or nation pursuant to any Law that is enforced or administered by the Office of Foreign

Assets Control, and Seller is not engaging in this Transaction, directly or, to Seller's actual knowledge, indirectly, on behalf of, or instigating or facilitating this Transaction, directly or, to Seller's actual knowledge, indirectly, on behalf of, any such person, group, entity or nation. Seller is not engaging in this Transaction, directly or indirectly, in violation of any Laws relating to drug trafficking, money laundering or predicate crimes to money laundering. Seller has and shall continue to implement procedures, and has consistently and shall continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times before Closing.

7.3 Survival. The representations set forth in this Article 7 shall survive the Closing or any termination of this Agreement.

7.4 Maximum Liability. In the event of a breach of Section 7.2.1 before Closing, Buyer's sole remedy shall be to terminate this Agreement; provided, however, that Seller shall have the right to cure such breach and to extend the Closing date to do so.

ARTICLE 8 **BROKERS**

Each Party represents to the other that it has not dealt with any broker in connection with the Transaction to whom a commission or fee is or may be owing as a result of the Transaction. Seller agrees to hold Buyer harmless and indemnify Buyer from and against any and all fees, commissions, costs, claims or expenses (including reasonable attorneys' fees, expenses and disbursements) suffered or incurred by Buyer as a result of any claims by any party claiming to have represented Seller as broker in connection with the Transaction. Buyer agrees to hold Seller harmless and indemnify Seller from and against any and all fees, commissions, costs, claims or expenses (including reasonable attorneys' fees, expenses and disbursements) suffered or incurred by Seller as a result of any claims by any other party claiming to have represented Buyer as broker in connection with the Transaction. This Article 8 shall survive the Closing or any termination of this Agreement.

ARTICLE 9 **DEFAULT**

9.1 By Buyer. If, on or before the Closing Date, (i) Buyer is in default of any of its obligations hereunder, or (ii) any of Buyer's representations or warranties are, in the aggregate, untrue, inaccurate or incorrect, in any material respect, or (iii) the Closing otherwise fails to occur by reason of Buyer's failure or refusal to perform its obligations hereunder, then Seller may elect to (i) terminate this Agreement by written notice to Buyer and receive immediate payment of the Deposit as liquidated damages for Buyer's default; (ii) waive the condition and proceed to close the Transaction; or (iii) exercise any and all remedies allowed at law, in equity, or otherwise, and recover damages. If this Agreement is so terminated, then neither Party shall have any further rights or obligations hereunder other than any arising under any section herein which expressly provides that it survives the termination of this Agreement.

9.2 By Seller. If, at the Closing, (i) Seller is in default of any of its obligations hereunder, or (ii) any of Seller's representations or warranties in Section 7.2 are, in the aggregate, untrue, inaccurate or incorrect in any material respect, or (iii) the Closing otherwise fails to occur by reason of Seller's failure or refusal to perform its obligations hereunder, then Buyer shall have the right, to elect, as its sole and exclusive remedy, to (a) terminate this Agreement by written notice to

Seller, and thereafter, the Parties shall have no further rights or obligations hereunder except for obligations which expressly survive the termination of this Agreement, (b) waive the condition and proceed to close the Transaction, or (c) if the Closing fails to occur, seek specific performance of this Agreement by Seller. As a condition precedent to Buyer exercising any right it may have to bring an action for specific performance hereunder, Buyer must commence such an action within thirty (30) Business Days after the occurrence of Seller's default. Buyer agrees that its failure to timely commence such an action for specific performance within such thirty (30) Business Day period shall be deemed a waiver by it of its right to commence an action for specific performance as well as a waiver by it of any right it may have to file or record a notice of *lis pendens* or notice of pendency of action or similar notice against any portion of the Property.

ARTICLE 10

CONDEMNATION/CASUALTY

10.1 Allocation of Proceeds and Awards. If a condemnation or casualty occurs, except for a condemnation of the entire Property or complete destruction of all of the building(s) and improvements on the Property in which case either Buyer or Seller may elect to terminate this Agreement, this Agreement shall remain in full force and effect, Buyer shall acquire the remainder of the Property upon the terms and conditions set forth herein and at the Closing and, if Seller has received such awards or proceeds, after deducting any costs of collection, Seller shall pay the same to Buyer, and if Seller has not received such awards or proceeds, Seller shall assign to Buyer at the Closing (without recourse to Seller) the rights of Seller to, and Buyer shall be entitled to receive and retain, such awards or proceeds.

10.2 Waiver. The provisions of this Article 10 supersede the provisions of any applicable laws with respect to the subject matter of this Article 10.

ARTICLE 11

MISCELLANEOUS

11.1 Buyer's Assignment. Buyer may not assign this Agreement or its rights hereunder to any individual or entity without the prior written consent of Seller, which consent Seller may grant or withhold in its reasonable discretion, and any such assignment shall be null and void *ab initio*. Any transfer, directly or indirectly, of any stock, partnership interest or other ownership interest in Buyer shall constitute an assignment of this Agreement.

11.2 Survival/Merger. Except for the provisions of this Agreement which are explicitly stated to survive the Closing, (i) none of the terms of this Agreement shall survive the Closing, and (ii) the delivery of the Purchase Price, the Deed and the other documents to be delivered in connection herewith and the acceptance thereof shall effect a merger, and be deemed the full performance and discharge of every obligation on the part of Buyer and Seller to be performed hereunder.

11.3 Integration; Waiver. This Agreement, together with the Exhibits hereto, embodies and constitutes the entire understanding between the Parties with respect to the Transaction and all prior agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the Party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then

only to the extent set forth in such instrument. No waiver by either Party of any failure or refusal by the other Party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

11.4 Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State in which the Property is located, without reference to any choice of law provisions or principles.

11.5 Captions Not Binding; Exhibits. The captions in this Agreement are inserted for reference only and in no way define, describe or limit the scope or intent of this Agreement or of any of the provisions hereof. All Exhibits attached hereto shall be incorporated by reference as if set out herein in full.

11.6 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

11.7 Severability. If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

11.8 Notices. Any notices under this Option must be in writing and must be sent by (i) personal delivery, (ii) by United States registered or certified mail (postage prepaid), (iii) by electronic mail or facsimile (with a copy sent the same day by one of the other prescribed methods of delivery) or (iv) by an independent overnight courier service, addressed to the addresses specified below or at such other place as a Party may designate to the other Parties by written notice given in accordance with this Section. Notices given by registered or certified mail are deemed effective three (3) Business Days after the Party sending the notice deposits the notice with the United States Post Office. Notices given by electronic mail or facsimile are deemed effective on the Business Day transmitted (or, if transmitted on a day that is not a Business Day, then on the next occurring Business Day). Notices delivered by overnight courier are deemed effective on the next Business Day after the day the Party delivering the notice timely deposits the notice with the courier for overnight (next day) delivery.

If to Seller: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Glenn Pierce
Facsimile: (310) 272-1581
Email: gpierce@canyonagassi.com

With Copies to: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Bari Cooper Sherman, Esq.
Facsimile: (310) 272-1537

Email: bsherman@canyonagassi.com

And to: CA Detroit 4001 29S LLC
c/o Canyon-Agassi Charter School Facilities Fund, L.P.
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attention: Antonio Gonzales
Facsimile: (310) 272-1490
Email: agonzales@canyonagassi.com

And to: Quarles & Brady LLP
411 East Wisconsin Avenue
Suite 2350
Milwaukee, WI 53202
Attn: Michael J. Ostermeyer
Facsimile: (414) 978-8956
Email: michael.ostermeyer@quarles.com

If to Buyer: Southwest Detroit Lighthouse Charter Academy
163 Madison Street
Room 250
Detroit, MI 48226
Attn: Principal
Facsimile: _____
Email: _____@lighthouse-academies.org

With Copy to: Lighthouse Academies, Inc.
1661 Worcester Road
Framingham, MA 01701
Attention: C. Anne LaTarte
Facsimile: (508) 626-0905
Email: alatarte@lighthouse-academies.org

Any notice by either Party hereto, whether required or permissible hereunder, may be given by such Party's then current attorney, which notice, when given by such attorney, shall be deemed equally as effective as if given by such Party directly.

11.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement.

11.10 No Recordation. Seller and Buyer each agrees that neither this Agreement nor any memorandum or notice hereof shall be recorded and Buyer agrees (i) not to file any notice of pendency or other instrument (other than a judgment) against the Property or any portion thereof in connection herewith and (ii) to indemnify Seller against all Liabilities (including reasonable attorneys' fees, expenses and disbursements) incurred by Seller by reason of the filing by Buyer of such notice of pendency or other instrument. Notwithstanding the foregoing, if the same is permitted pursuant to applicable law, Buyer shall be entitled to record a notice of *lis pendens* if Buyer is

entitled to seek (and is actually seeking) specific performance of this Agreement by Seller in accordance with the terms of Section 9.2 hereof.

11.11 Additional Agreements; Further Assurances. Subject to the terms and conditions herein provided, each of the Parties shall execute and deliver such documents as the other Party shall reasonably request in order to consummate and make effective the Transaction; provided, however, that the execution and delivery of such documents by such Party shall not result in any additional liability or cost to such Party.

11.12 Construction. The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement, any amendment or modification hereof or any of the Closing Documents.

11.13 Time of Essence. Time is of the essence with respect to this Agreement.

11.14 Waiver of Jury Trial. Each of the Parties hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based on or arising out of: this Agreement or any other document or instrument between the Parties relating to this Agreement; the property; or any dealings between the Parties relating to the subject matter of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court without a jury.

11.15 Email or Facsimile Signatures. Signatures to this Agreement transmitted by electronic mail or facsimile shall be valid and effective to bind the Party so signing. Each Party agrees to promptly deliver an executed original of this Agreement with its actual signature to the other Party, but a failure to do so shall not affect the enforceability of this Agreement, it being expressly agreed that each Party shall be bound by its own emailed or facsimile signature and shall accept the emailed or facsimile signature of the other Party.

11.16 Attorneys' Fees. Should any action or other proceeding be necessary to enforce any of the provisions of this Agreement or the various obligations or transactions contemplated hereto, or in the event of any dispute between the Parties relating to this Agreement, the prevailing Party shall be entitled to recover, in addition to any other relief to which such Party may be entitled, its actual attorneys' fees and costs, and all referee and reference proceeding fees, costs and expenses, incurred in connection with the prosecution or defense, as the case may be, of such action.

[Signatures begin on next page.]

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed as of the Purchase Option Date.

SELLER:

**CA DETROIT 4001 29S LLC,
a Delaware limited liability company**

By: _____

Name:

Title:

BUYER:

**SOUTHWEST DETROIT LIGHTHOUSE,
CHARTER ACADEMY,
a Michigan nonprofit corporation**

By: _____

Name:

Title:

ADDENDUM A
(of Attachment 2 to Exhibit F)

LEGAL DESCRIPTION

Lands situated in the City of Detroit, County of Wayne, State of Michigan, described as follows:

Lots 39 through 54, both inclusive, West of 29th Street, including the adjacent vacated alley lying West of the West lines of Lots 39 through 53 and lying West of the West line of the South 11.20 feet of Lot 54, in Private Claim 30 of HAMMOND & RICH'S SUBDIVISION, as recorded in Liber 6 of Plats, Page 67, Wayne County Records.

ALSO,

Lots 28 through 43, both inclusive, and Lots 78 through 93, both inclusive, together with the part of vacated 30th Street which is North of Jackson Street, as platted, being adjacent to said Lots, also including the Easterly 3 feet of the North-South alley adjacent to said Lots 28 to 43, both inclusive, and the Westerly 3 feet of the North-South alley adjacent to said Lots 78 to 93, both inclusive, all of HERBERT BOWEN & GEORGE T. ABREY'S SUBDIVISION, as recorded in Liber 15 of Plats, Page 57, Wayne County Records.

ALSO,

Lots 21 through 36, and the North 20.1 feet of Lot 37, including the adjacent vacated alley lying East of the East lines of Lots 22 through 37 and lying East of the East line of the South 8.90 feet of Lot 21, of SCRIPPS AND BREARLEY'S SUBDN, as recorded in Liber 6 of Plats, Page 61, Wayne County Records. Except any other part of Lot 37 taken for street widening.

ADDENDUM B
(of Attachment 2 to Exhibit F)

FORM OF SPECIAL WARRANTY DEED

This Deed is made this ____ day of _____, 20__ by _____, the address of which is _____ ("Grantor"), to _____, whose address is _____ ("Grantee").

Grantor, for good and valuable consideration, receipt of which is acknowledged (Real Estate Transfer Tax Valuation Affidavit filed), does hereby grant and convey to Grantee certain real property situated in the _____ of _____, _____ County, Michigan, and described as:

Tax Parcel No. _____ (the "Premises")

Subject to the matters set forth in attached **Exhibit A** (collectively, "Permitted Encumbrances"),

TO HAVE AND TO HOLD the Premises unto Grantee forever; and Grantor does hereby covenant and agree with Grantee that Grantor has not heretofore done, committed or willingly suffered to be done or committed, any act, matter or thing whatsoever whereby the Premises is or shall be charged or encumbered in the title, estate, or otherwise, howsoever except for the Permitted Encumbrances.

IN WITNESS WHEREOF, Grantor has executed this Deed on the date first above written.

By: _____

STATE OF MICHIGAN)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____.

_____, Notary Public
_____, County, Michigan
My commission expires: _____
Acting in _____ County, MI

Drafted by:
Timothy M. Koltun, Esq.
Clark Hill PLC
500 Woodward Avenue, Suite 3500
Detroit, MI 48226

When recorded return to:

ADDENDUM C
(of Attachment 2 to Exhibit F)

FORM OF BILL OF SALE

THIS BILL OF SALE (this "**Bill of Sale**"), is made as of _____, 20__ by and between CA DETROIT 4001 29S LLC ("**Seller**") and SOUTHWEST DETROIT LIGHTHOUSE CHARTER ACADEMY ("**Buyer**").

W I T N E S S E S:

WHEREAS, pursuant to the terms of that certain Sale Agreement, dated as of _____, 20__, by and between Seller and Buyer (as the same may be amended or modified, the "**Sale Agreement**"), Seller agreed to sell to Buyer, *inter alia*, certain real property, the improvements located thereon and certain rights appurtenant thereto, all as more particularly described in the Sale Agreement (collectively, the "**Real Property**"). Initially capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Sale Agreement; and

WHEREAS, in connection with the above described conveyance Seller desires to sell, transfer and convey to Buyer certain items of tangible personal property as hereinafter described.

NOW, THEREFORE, in consideration of the receipt of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration paid in hand by Buyer to Seller, the receipt and sufficiency of which are hereby acknowledged, Seller has GRANTED, CONVEYED, SOLD, TRANSFERRED, SET OVER and DELIVERED and by these presents does hereby GRANT, SELL, TRANSFER, SET OVER and DELIVER to Buyer, its legal representatives, successors and assigns, and Buyer hereby accepts (i) all right, title and interest in and to all tangible personal property owned by Seller that is located on the Real Property and used in the ownership, operation and maintenance of the Real Property, (ii) a non-exclusive interest in any assignable warranties and guaranties of the equipment or improvements located at the Real Property, and (iii) a non-exclusive interest in any assignable representations which Seller received from its seller when it acquired the Real Property.

This Bill of Sale is made without any covenant, warranty or representation by, or recourse against, Seller as more expressly set forth in the Sale Agreement and without limitation on the foregoing is subject to the terms and provisions of Article 3 of the Sale Agreement, which is incorporated herein by reference.

This Bill of Sale may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement.

If any term or provision of this Bill of Sale or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Bill of Sale or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Bill of Sale shall be valid and enforced to the fullest extent permitted by law.

Signatures to this Bill of Sale transmitted by electronic mail or facsimile shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an execution original to this Bill

of Sale with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Bill of Sale, it being expressly agreed that each party to this Bill of Sale shall be bound by its own emailed or facsimile signature and shall accept the emailed or facsimile signature of the other party to this Bill of Sale.

IN WITNESS WHEREOF, the undersigned have executed this Bill of Sale to be effective as of the date first set forth hereinabove.

SELLER:

**CA DETROIT 4001 29S LLC,
a Delaware limited liability company**

By: _____

Name:

Title:

BUYER:

**SOUTHWEST DETROIT LIGHTHOUSE
CHARTER ACADEMY,
a Michigan nonprofit corporation**

By: _____

Name:

Title:

ADDENDUM D
(of Attachment 2 to Exhibit F)

FORM OF FIRPTA AFFIDAVIT

Section 1445 of the Internal Revenue Code (the “**Code**”) provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest by CA Detroit 4001 29S LLC (“**Seller**”), the undersigned hereby certifies the following on behalf of Seller:

1. Seller is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and
2. Seller is not a disregarded entity as defined in §1.1445-2(b)(2)(iii) of the Code; and
3. Seller’s U.S. employer taxpayer identification number is _____; and
4. Seller’s office address is _____.

Seller understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under the penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Seller.

Dated: _____, 20____

SELLER:

**CA DETROIT 4001 29S LLC,
a Delaware limited liability company**

By: _____
Name:
Title:

EXHIBIT G
Form of Memorandum of Lease

WHEN RECORDED RETURN TO:

THIS MEMORANDUM OF LEASE (the “**Memorandum**”) is entered into this ____ day of _____, 2013 (the “**Effective Date**”), by and between SOUTHWEST DETROIT LIGHTHOUSE CHARTER ACADEMY (“**Tenant**”) and CA DETROIT 4001 29S LLC (“**Landlord**”).

WITNESSETH:

WHEREAS, pursuant to a Lease Agreement (the “**Lease**”) dated as of February 15, 2013 between Landlord and Tenant: Landlord has let to Tenant, and Tenant has leased from Landlord, a certain parcel of real property located in the City of Detroit, Wayne County, State of Michigan commonly known as 4001 29th Street, which parcel is legally described on Attachment 1 attached to and made a part of this Memorandum; and

WHEREAS, likewise pursuant to the Lease, Landlord has granted to Tenant an Option to Purchase the Property (the “**Option**”), on terms and conditions set forth in the Lease.

WHEREAS, Landlord and Tenant wish to make the existence of the Lease a matter of public record.

NOW THEREFORE, for value received, Landlord and Tenant agree that this Memorandum shall be recorded in the public land records of Wayne County, Michigan, and that this Memorandum shall put all persons on notice of the following with respect to the Lease:

LANDLORD:	CA Detroit 4001 29S LLC, a Delaware limited liability company
TENANT:	Southwest Detroit Lighthouse Charter Academy, a Michigan nonprofit corporation
DATE OF EXECUTION:	February 15, 2013
RENT COMMENCEMENT DATE	[As determined under Section 2.1 of the Lease]
DESCRIPTION OF LEASED PREMISES:	Land, building and improvements located at 4001 29th Street in the City of Detroit, Wayne County, State of Michigan, as more particularly shown on <u>Exhibit A</u> to the Lease.
TERM:	29 Lease Years, plus the potential partial Lease Year occurring

between the Commencement Date (as that term is defined in the Lease) and June 30, 2013.

OPTION:

Option to purchase the property during a defined period specified in the Lease, for a Purchase Price calculated according to the terms of the Lease

This Memorandum is not a complete summary of the Lease or the Option, and the provisions of this Memorandum shall not be used in interpreting the Lease or the Option. In the event of conflict between this Memorandum and the unrecorded Lease or the unrecorded Option, the unrecorded Lease and the unrecorded Option shall control.

[Signatures continue on next page.]

TENANT:
SOUTHWEST DETROIT LIGHTHOUSE
CHARTER ACADEMY,
a Michigan nonprofit corporation

STATE OF _____)
) ss.
COUNTY OF _____)

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

My Commission Expires:

LANDLORD:

CA DETROIT 4001 29S LLC,
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

STATE OF CALIFORNIA)
)ss.
COUNTY OF LOS ANGELES)

This Memorandum of Ground Lease dated _____, 2013, consisting of _____ () pages (including all signature pages, exhibits, schedules and other pages appended or attached to the aforesaid document), was acknowledged before me this _____ day of _____, 2013, by _____, the _____ of CA Detroit 4001 29S LLC, a Delaware limited liability company who personally appeared before me and is known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires:

EXHIBIT H
Base Rent Schedule

Lease Year	Period	Annualized Base Rent	Monthly Installments
1	Rent Commencement Date- August 31, 2013	\$0.00	\$0.00
	September 1, 2013-June 30, 2014	\$298,100	\$24,842
2	July 1, 2014-June 30, 2015	\$339,900	\$28,325
3	July 1, 2015-June 30, 2016	\$391,600	\$32,633
4	July 1, 2016-June 30, 2017	\$444,400	\$37,033
5	July 1, 2017-June 30, 2018	\$746,377	\$62,198
6	July 1, 2018-June 30, 2019	\$826,150	\$68,846
7	July 1, 2019-June 30, 2020	\$844,739	\$70,395
8	July 1, 2020-June 30, 2021	\$863,745	\$71,979
9	July 1, 2021-June 30, 2022	\$883,180	\$73,598
10	July 1, 2022-June 30, 2023	\$903,051	\$75,254
11	July 1, 2023-June 30, 2024	\$923,370	\$76,947
12	July 1, 2024-June 30, 2025	\$944,146	\$78,679
13	July 1, 2025-June 30, 2026	\$965,389	\$80,449
14	July 1, 2026-June 30, 2027	\$987,110	\$82,259
15	July 1, 2027-June 30, 2028	\$1,009,320	\$84,110
16	July 1, 2028-June 30, 2029	\$1,032,030	\$86,002
17	July 1, 2029-June 30, 2030	\$1,055,250	\$87,938
18	July 1, 2030-June 30, 2031	\$1,078,994	\$89,916
19	July 1, 2031-June 30, 2032	\$1,103,271	\$91,939
20	July 1, 2032-June 30, 2033	\$1,128,095	\$94,008
21	July 1, 2033-June 30, 2034	\$1,153,477	\$96,123
22	July 1, 2034-June 30, 2035	\$1,179,430	\$98,286
23	July 1, 2035-June 30, 2036	\$1,205,967	\$100,497
24	July 1, 2036-June 30, 2037	\$1,233,101	\$102,758
25	July 1, 2037-June 30, 2038	\$1,260,846	\$105,071
26	July 1, 2038-June 30, 2039	\$1,289,215	\$107,435
27	July 1, 2039-June 30, 2040	\$1,318,223	\$109,852
28	July 1, 2040-June 30, 2041	\$1,347,883	\$112,324
29	July 1, 2041-June 30, 2042	\$1,378,210	\$114,851

EXHIBIT J **Building Maintenance Checklist**

PROPERTY ADDRESS: 4001 29th Street, City of Detroit, Michigan DATE: PERSON: Wayne County

SITE	INSPECTION/MAINTENANCE PROCEDURES	FREQUENCY				ANNUAL	UNDER SERVICE CONTRACT	NOTES
		WEEKLY	MONTHLY	QUARTERLY	SEMI-ANNUAL			
✓	Remove and dispose of all fallen tree limbs, dead shrubs, etc.	X						
	Remove brush and weed growth adjacent to building walls and electrical equipment.		X					
	Reseed worn lawn areas.			X				
	Fertilize lawn.			X				
	Trim and prune shrubs and trees.		X					
	Repair irrigation system.	X						
	Clean all site drains.			X				
	Repair potholes in parking lots and driveways. Restripe if necessary.				X			
	Check and service playground equipment and insure its safety.			X				IMMEDIATELY FOR SAFETY
	Patch and repair walkway surfaces.					X		
	Paint walkway markings.							
	Repair and paint fences and gates.			X				

BUILDING EXTERIOR	INSPECTION/MAINTENANCE PROCEDURES	FREQUENCY				ANNUAL	UNDER SERVICE CONTRACT	NOTES
		WEEKLY	MONTHLY	QUARTERLY	SEMI-ANNUAL			
✓	Wash windows.				X			
	Check and repair windows and doors.					X		
	Replace broken window glass as needed.							IMMEDIATELY FOR SAFETY
	Scrape and paint building exterior and trim.			Every 7 years				
	Wash accumulated dirt on building surfaces.					X		
	Touch up paint on building exterior.					X		
	Lubricate exterior door hinges and hardware.					X		
	Inspect and repair exterior walls for structural cracks.					X		

ROOF		FREQUENCY				NOTES	
	INSPECTION/MAINTENANCE PROCEDURES	WEEKLY	MONTHLY	QUARTERLY	SEMI-ANNUAL	ANNUAL	UNDER SERVICE CONTRACT
✓	Clean roof valleys.					X	
	Clean and test roof drains.					X	
	Clean and secure gutters.					X	
	Clean and secure downspouts.					X	
	Inspect skylights for leaks.					X	
	Inspect and repair metal flashings.					X	
	Inspect and recaulk stone or clay tile copings.					X	

BUILDING INTERIOR		FREQUENCY				NOTES	
	INSPECTION/MAINTENANCE PROCEDURES	WEEKLY	MONTHLY	QUARTERLY	SEMI-ANNUAL	ANNUAL	UNDER SERVICE CONTRACT
✓	Clean windows, blinds, draperies, etc.			X			
	Check floors for broken tiles or torn carpet.		X				
	Remove all rubbish, boxes, debris and combustibles from:						
	Paths of exit	X					
	Doorways	X					
	Stairs	X					
	Under stairs	X					
	Utility rooms	X					
	Around flue and chimneys	X					
	Around heat-producing equipment	X					
	Electrical panel areas	X					

MECHANICAL EQUIPMENT		FREQUENCY				NOTES	
	INSPECTION/MAINTENANCE PROCEDURES	WEEKLY	MONTHLY	QUARTERLY	SEMI-ANNUAL	ANNUAL	UNDER SERVICE CONTRACT
✓	Service all pumps per manufacturer's instruction manuals.			Per service agreement			
	Service all air-conditioning equipment.			Per service agreement			
	Service all ventilating equipment.					X	
	Check /hot water heater for any fuel or water leaks.		X				
	Check openings or motorized dampers which provide combustion air to hot water heaters.			X			
	Check cleanout openings, doors, etc., for air leakage and corrosion.			X			

QB\18363091.13